

Saimaa University of Applied Sciences
Unit of Tourism, Imatra
Degree Programme in Tourism

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CONSUMPTION EXPENDITURE OF RUSSIAN TOURISTS IN IMATRA

Bachelor's thesis 2010

ABSTRACT

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Consumption Expenditure of Russian Tourists in Imatra, 72 pages, 2 appendices

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Russian tourists are one important source of income for Imatra. They make up the biggest segment of foreign tourists coming there and spend a lot of money, but their expenditure has not yet been studied. To support the development of the Imatra region, the understanding of such an important contributor to its economy as Russian tourists is essential.

For that purpose, theory and earlier studies on the subject were contemplated. Based on the researched material, a questionnaire was designed and a structured interview was carried out. Between April 9 and 11, 2010, 128 Russian tourists were interviewed in Imatra Spa, on the main pedestrian street, and at the exits of hypermarkets in Mansikkala.

It was discovered that most Russian tourists in Imatra expend on food and beverages; cafes and restaurants; clothing, footwear and accessories; and activities. The expenditure amount proved to depend on the income, length of stay, number of children in the party, gender, education, frequency with which the respondent visits Imatra, and purpose of the trip.

Keywords: individual consumption, Russian tourists, questionnaire form, Imatra, economic impact of tourism

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1 INTRODUCTION

The topic of my thesis is 'Consumption expenditure of Russian tourists in Imatra'. 'Consumption expenditure' is a term meaning 'buying acts' and it differs from the term 'consumption' which involves the use of the goods and services acquired (Piana 2001). The idea of the thesis work is to find out what tourists from Russia spend their money on when they arrive at Imatra. The objective of the research is to create the relevant economic information for the region that will enable local businesses to understand consumption patterns of Russian tourists better and support the businesses in their decision making. The three main areas investigated are the categories of goods and services acquired in the region, the amount of money spent on them, and the factors influencing the expenditure volume.

1.1 Justifications for Researching the Topic

During my three-year long residence in Imatra I have got an experience that a huge number of Russians visit Imatra during the weekends. But although everyone in the region is aware of the influence that Russian tourists have on the regional economy, there is still a substantial lack of reliable data considering the share that Russian customers contribute to the establishments of the region. To cite Pia Rantanen, the director of Imitsi (an association promoting Imatra city centre), who could not tell the exact numbers either: 'In any case, the share of retail trade that Russians account for in Imatra is considerable' (YLE 2010). Therefore, researching the topic is both current and beneficial for the region, which serves as the main reason for conducting the current study.

The parties that should find the contents of this thesis useful are the businesses in the region and the local municipalities. The businesses then would be able to estimate how big the potential of Russian tourists is for their segments and therefore, how much money could be spent to attract them, as well as to use the information to conceptualize and create new touristic services. The municipalities could use it for statistical purposes and as a help in decision making.

1.2 Aims and Delimitations of the Research

The objective of the thesis work is to create relevant economic information for the region that will enable local businesses to understand the consumption patterns of Russian tourists. From this objective, the research problem is derived: what are the money consumption patterns of Russian tourists coming to Imatra? The three research questions follow: which categories of products and services are the most popular among Russian tourists coming to Imatra; how much money do Russian tourists spend on every category; and what are the factors influencing the consumption of Russian tourists in Imatra?

The general limitations of the research come from the research methods employed. The main problem, limits of the sample, is such that the results that are true for a chosen sample are not necessarily true for the whole segment of Russian tourists in question, but on the other hand, it is impossible to get the answers from each and every one of the Russian tourists arriving at Imatra. This problem cannot be eliminated altogether, but its impact can be decreased through careful planning of the way that the answers to the questionnaire are distributed and collected (including the geographical aspect); that would enable the sample to be maximally representative.

One of the major limitations of the topic itself is being focused not on all the tourists who arrive at Imatra, but instead on Russian tourists exclusively. That decision, however, is well justified because Russians form the biggest segment of inbound tourism in the region and therefore deserve to be studied separately from tourists of other nationalities. Another limitation is the inclusion into the survey design of only those products and services that were purchased directly in the region and not in advance. The third decision limiting the scope of the data collected is that the information that is already available is not sought after (for example, spending on accommodation: the hotels know what share of their customers comes from Russia; the purport of the study is to help other types of

establishments, such as shops and restaurants, which do not register all of their customers).

1.3 Research Methods

The main research method employed in the current research is a questionnaire. The method is quantitative, as the interest lies in acquiring the relevant statistics on the expenditure of Russian tourists in Imatra, meaning that the aim is to collect a limited amount of information about a large number of people rather than to gather a great deal of information about a small number of people. Therefore, there is a need for a big enough sample so that the results of the research are reliable and the statistical significance is reached. Quantitative research requires a theoretical framework to compare the actual results with, so the first step in the study is analyzing the existing theory on the subject. Then all the indicators to be measured are defined. Quantitative research needs very careful planning because if something is overlooked in the beginning one would most likely understand it in the end in the process of analyzing the results, but then it would already be too late to ask more questions from the respondents.

A desk study is the second method to be used, especially in the preliminary stage of the research work: for example some Internet forums about travelling to Finland can assist in finding out which products Russians usually buy in Finland, and that can help to compose the questionnaire form.

2 CONSUMPTION

2.1 Consumption vs. Tourism Consumer Behaviour

The decision to study consumption rather than consumer behaviour lends itself to the aim of the research. The interest of the study lies in the economic area of generating statistics and not in the marketing area of trying to influence the behaviour of Russian tourists. Consumer behaviour is a concept used by market-

ers and R&D to understand what the factors influencing a consumer decision to buy are, apart from the marketing efforts themselves. That helps to develop new products and understand how to promote them best. The current study, however, does not endeavour to change the behaviour of Russian tourists; it just tries to portray it. The concept of tourism behaviour is even less applicable for the study because it is used to explain how tourists make decisions about issues as big as the trip itself – they spend a lot of money on it and they have high, yet indistinct expectations. That is not the case in the current study of Russian tourists' consumption expenditure in Imatra since they mostly know what they are going to experience there in terms of shopping. Moreover, the decision to acquire something during the trip is not so important for the buyers that they would collect as much information as possible in advance and remember the purchase for a long time afterwards.

But there is still a necessity to briefly outline what is said about shopping abroad and some other issues relevant to the current research in the theoretical works on consumer behaviour in tourism. For example, the book 'Consumer behaviour in tourism' by Swarbrooke and Horner (2007, 28-60) focuses on how consumers behave themselves when they are confronted with choosing a trip, what segments of customers there are and what the current issues in tourism consumer behaviour are. The types of tourism presented in the book do not include a special type for tourists whose main purpose of the trip is shopping, and they are hard to reckon among any of the present categories: hedonistic, activity and special interest categories of tourism are the closest. Thus it can be said that the studies on consumer behaviour in tourism have not been focused on shopping tourism much. However, what motivates tourists to visit different kinds of attractions has been studied. Some examples of motivators to visit a leisure shopping centre are escapism, search for a bargain, and status.

Swarbrooke and Horner (266-269) deals with segmenting the leisure shopping market, which is said to be "a very diverse market which has yet to be thoroughly researched". It is suggested that the market is not homogeneous and therefore should be divided into smaller segments. The examples of criteria for such a division are the distance to be travelled, ability and willingness to spend,

domestic/inbound/outbound tourism, seasonality, purpose of the trip, travelling companions, kind of shop preferred and products preferred. Gender is mentioned as a common stereotype criterion: it is believed that women like shopping more than men, although that is not always true. All the above mentioned criteria are actually taken into account in the current research.

Another interesting point is that leisure shopping is very popular among the tourists from developing or recently developed countries, Russia being one example. One reason for that is claimed to be the relative newness of such an experience for them. There is even a paragraph named 'Russian tourists' in the chapter which deals with the emergence of new markets. It is said that the wealthy Russian middle class shop all around the world to improve their status in the home community. Still the number of Russians travelling abroad is a small share of the whole Russian population, so there is a considerable potential in this tourist segment. (Ibid., 209).

That is pretty much all that has to deal with the studied topic of Russian consumption expenditure abroad that can be found from tourism consumer behaviour studies. Unfortunately, the traditional studies of tourism consumer behaviour are concerned with what makes tourists choose the trips they choose, and nothing is said about how the consumer behaviour of a person differs from his/her usual consumer behaviour once he/she is abroad. Consumer behaviour in tourism is a study of consumer behaviour where the trip and the tourism services acquired during the trip are the subjects, not any other products purchased during the trip. In order to fill in those gaps, the topic of consumption has to be scrutinized next.

2.2 Definition of Consumption

Consumption is the direct utilization of produced goods and services. Only the newly produced goods are taken into consideration (Piana 2001), thus the term is opposite to production: every product or service can only be consumed once. Consumption is classified into private and public. Private consumption includes

the use of goods and services by individual households, while public consumption is spending by the government for purposes like money compensations and infrastructure development. Consumption expenditure is a more specific term that excludes the use of the goods and services and focuses on the act of their purchase. (BNET Business Dictionary; Answers.com).

2.3 Development of Consumption and Consumerism

Up to the nineteenth century consumption was based on necessities, and saving was emphasized. Although people wanted to buy and have more, they could not afford it; only the few wealthy people of the higher social class could consume lavishly. But such spending had important political and social functions of showing the status, power and authority of the noble persons and the educated elite. (McKendrik, Brewer & Plumb, 1983, 2).

The eighteenth century England (and other countries later) experienced the Industrial Revolution that brought advances in technology. Therefore the scarcity of resources ceased to be a problem for a while as new means to obtain resources emerged. The most important consequence of that was the ability to spend more which was gained by more people. (Ibid.).

The late nineteenth and early twentieth century saw the overproduction crisis resulting from the increased availability of resources. There were not enough people who could allow spending their money, and the attitudes towards spending in the society were still not so positive. But the danger of recession in the economy made the society adapt and promote brand new values: most notably, the pleasure and even the identity of the person itself became associated with possessing things. (Robbins 1999, 210).

As changing the attitude is a long and cumbersome process, it entailed many other changes into the everyday life. Standards of living increased notably; to convince people that they need to buy more than they already have, advertising and fashion advanced, telling people that they will be better, more successful,

admired if they have certain possessions. The idea of service developed as well, making it easier and more pleasurable to shop. Gradually, commercialization of society had been carried out. (McKendrik et al., 1983, 2).

As a result of the new values being heavily promoted, spending in the developed countries has become clearly excessive. The planet does not have enough resources to keep up with that rate of consumption, and therefore the Third-World countries are now playing the same role that the majority of the people used to play in the past: they are effectively denied to consume more than they require in order to survive. That situation is provoked by the unequal pay resulting in unequal trade among the poor and wealthy countries, therefore the products produced in the poorer regions are mostly targeted for the developed countries while the local population cannot even afford to buy them. (Shah, 2005).

Companies think of their own profit, therefore trying to attract as many consumers as possible and doing it at the lowest cost for themselves; consumers enjoy possessing things and are not ready to stop buying more and more as consumption has become a lifestyle, a means of self-expression. Though the consequences of exploiting the planet to satisfy the caprices of modern consumers are very negative, such as environmental damage, exploitation of labour and poverty in the poorer countries, the modern economy relies on consumption so much that a drop in demand would bring recession and massive unemployment. Consumption and consumerism have become a part of our everyday life so naturally that to change that would be extremely hard. (Ibid.).

2.4 Factors Influencing Consumption

There are certain factors that can affect the consumption of a person. Although the number of such factors is really huge and their combination depends on the case in question, that chapter will only deal with the factors which could be used in the study to group the respondents in order to explain their different levels of spending. That means that the characteristics of the product (such as its price)

that no doubt influence the decision to buy are not mentioned. Moreover, the factors studied should be reliable and rather easy to find out, so beliefs and motivations of the shoppers and other subjective data, such as perceived future income are not considered relevant. The factors below are all objective, meaning that one knows for sure which subgroup in a studied matter he or she belongs to, e.g. what his education and city of residence are.

The two factors that are considered to be the main ones that influence consumption are income and social class. There has been a continuous debate over which one is the most influential, and the resulting opinion is that the impact depends on the type of product which is acquired. (Mihic and Čulina, 2006).

2.4.1 Income

According to Mihic and Čulina (2006), income predicts consumption patterns better when the products acquired are of a lower social significance but expensive, i.e. inconspicuous products of higher expenditure, such as alcoholic beverages, certain fish types, and life-insurance policies. If one does not have money he/she cannot spend it, and that explains the importance of income as one of the main factors influencing consumption. Figure 2.1 illustrates that idea.

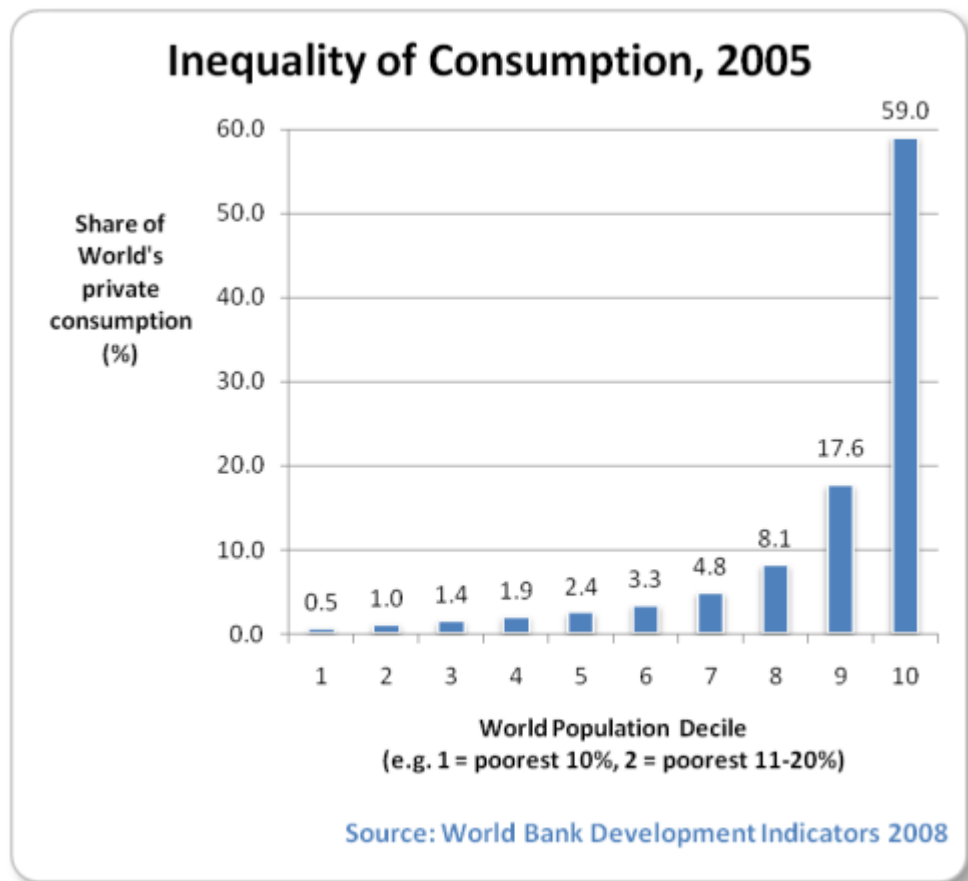


Figure 2.1 Share of world's private consumption by deciles (Shah 2008)

Figure 2.1 above confirms the hypothesis that the level of income influences the level of spending by showing how much the level of private consumption increases with income. The wealthiest 10% of people in the world consume 118 times more than the poorest 10%. (Shah 2008).

Luckily, in Russian Federation alone this difference is not as huge, but it is still much bigger than in the developed countries. According to the Russian Federal State Statistics Service, the income interdecile ratio in the country accounts for 16.7, meaning that the richest 10% of Russian population spend 16.7 times more money than the poorest 10% (Federal State Statistics Service 2010a). Such a difference is extremely high compared to Western Europe and Scandinavia. Being more exact, the interdecile ratio after the taxes accounts for 2.7 in Sweden, 2.8 in Finland and 3.7 in Germany. Before the taxes it is 6.2, 5.7 and 6.2 correspondingly. Russia stands out from the row of these countries because the interdecile ratio there is exactly the same before and after the taxes: the

taxes are equal percentagewise for everyone. (Телегин 2010). As the differences in income are higher in Russia than in the Nordic countries, income affects Russian consumption considerably, most likely more than income in the Nordic countries does. The current research should therefore include studies on the relationship between income and preferences in consumption.

Estimations of the share of the Russian population by groups with different income levels can be seen below in Table 2.1.

Table 2.1 Distribution of income across the Russian population (Березин 2006)

Group	Share of population, %	Number of families, million	Aggregate income of the group, billion USD	Share of aggregate income of the whole population, %	Average family income per annum, thousand USD	Income per person per month, USD
Upper	1	0.55	100	14.3	180	> 2500
Upper-middle	5	2.7	130	18.6	48	1000-2500
Middle	18.5	10	210	30	21	500-1000
Lower-middle	18.5	10	120	17.1	12	300-500
Upper-lower	40	21.8	120	17.1	5.5	125-300
Lower-lower	17	9.45	20	2.9	2.1	< 125
Total	100	54.5	700	100	13.4	

Table 2.1 shows the distribution of income among different social classes in Russia in 2006. The average income per person in a family (in American dollars) was studied. The results show that most families are poor and earn from 125 to 300 dollars per person a month. The families that earn 2500 dollars or more per person are considered rich. (Березин 2006).

The same figures could be used in the current study for finding out the income per person in the respondents' families, but they should be converted into Russian rubles in advance to be better understood among the respondents.

2.4.2 Social Class

Findings of Mihić and Čulina (2006) indicate that for the most studied product groups social class is more valid than income in explaining the consumer behaviour. The studies were done with the focus on the Croatian society where income is one of the main determinants of social class. The same could be said considering the Russian society: 70% of Russian respondents used the standard of living as the main criteria to determine their social class themselves (Тихонова 2007, 34). Standard of living is most commonly measured by the real income per person, i.e. money income adjusted for the cost of living (Nardinelli), therefore using it as the methodology to indicate social class in this research would result in no difference between income and social class as determinants of consumption. Other methodologies that include income into the calculations, like the Census Bureau Index of Socioeconomic Status, are used mainly in the USA and have not been adapted to suit the Russian realities.

An attempt to divide the Russian society into social classes meets the greatest challenge at the very beginning of the process: even specialists in sociology cannot affirm which type the social structure of Russian society belongs to, and therefore which approach to use when analysing it. (Тихонова 2007, 6).

As a result, it cannot be said that there is one methodology that suits the Russian society best, and therefore any could be used in the current study, but it should already be adapted for the Russian realities and not too complicated to use since the division of Russian society into classes is not the purpose of the current research. The lack of suitable methodologies, studying income separately, and the fact that there might not be enough answers considering income have all added up to lead to the decision to use the ESOMAR classification that has already been attempted in Russia.

The method is advantageous in that it has been widely used in Europe, therefore European entrepreneurs can easily understand the results of the study, and that all the parameters are asked from the main income earner in the family. Therefore, a family would be the unit of the current study while only one person will be asked for his/her educational and occupational background.

Below is the first table needed for carrying out the ESOMAR classification. Table 2.2 shows the occupational part of the adapted methodology that has been used in Russia.

Table 2.2 Occupational groups in the adapted for Russia ESOMAR classification (Тихонова 2007)

Group	ESOMAR classification
E1	General management, director or top management with responsibility for 11 employees or more
E2	Self-employed professional
E3	Employed professional
E4	General management, director or top management with responsibility for 10 employees or less
E5	Middle management, other management with responsibility for 11 employees or more
E6	Middle management, other management with responsibility for 10 employees or less
E7	Business proprietor, owner (full/partner) of company or owner of a shop, craftsman, other self-employed person with responsibility for 11 employees or more
E8	Employed position, working mainly at a desk
E9	Business proprietor, owner (full/partner) of company or owner of a shop, craftsman, other self-employed person with responsibility for 10 employees or less
E10	Student
E11	Employed non-manual position, not at a desk but travelling or in a service job
E12	Farmer and fisherman
E13	Responsible for ordinary shopping and looking after the home, housewife
E14	Supervisor and skilled manual worker
E15	Other (unskilled) manual worker, servant
E16	Retired or unable to work through illness, unemployment or temporarily not working

Table 2.2 deals with occupation of the main income earner in the family; the corrections that had been made involve increasing the number of subordinates one should have to be included into a higher social group to 10 from 6 in the original method. (ESOMAR 2003, 103).

But in the utilized ESOMAR method the knowledge about the occupation of a person alone is not enough to reckon him/her in a certain social group. The knowledge about education is also necessary; how to determine the social class by combining these two factors is presented in Table 2.3.

Table 2.3 Educational matrix used to determine social status (Тихонова 2007)

Education	Occupation of the currently employed main income earner			
	E1+E2+E3+E5	E4+E6+E7	E8+E9+E11+E14	E15
Higher education	A	B	C1	D
Unfinished higher or specialized secondary education	B	C1	C2	D
General secondary education	C1	C2	D	E
Unfinished secondary education	D	D	E	E

Table 2.3 shows how to convert the occupational groups into the final socio-economic categories using education as an auxiliary variable. This table has also been changed from the original due to the fact that higher education in Russia had only one level until recently; therefore the first educational level (bachelor) in the original method is substituted by unfinished higher and specialized secondary education. (Тихонова 2007, 13).

Such studies that were conducted in Russia in 2005 show that 10% of the working population belong to class A, 8% to class B, 17% to class C1, the majority

(31%) to class C2, 20% to class D and the rest 14% belong to class E. (Ibid, 16).

2.4.3 Other Factors

Other factors that may influence consumption are listed below and have been taken from three separate studies on factors that influence consumption of different types. The articles examined dealt with the consumption of fresh sweet corn (Morgan, Briggs, Degner & Stevens, 2004) and goat meat (McLean-Meynsse, 2003), as well as the total spending of overnight visitors of Virginia Beach on the holiday (Agarwal & Yochum, 2000). The factors mentioned in the studies relevant to the case of Russians in Imatra are the length of stay in the destination, party size, number of children in the party, gender, age (of the head of the party), areas of residence and whether the visitors are repeat or not. Two more factors that have not been mentioned in the examined studies but which the author of the current research still believes to be important for the case are the purpose of the trip and the mode of transportation. They are relevant for travellers who come to Imatra because both the knowledge of the place and the abilities the mode of transportation is associated with create the framework within which the tourist may act. The question on whether a visitor is a repeat one can be effectively transformed to obtain more information by simply asking how often the person visits the place.

2.5 Classification of Consumption

Consumption is frequently divided into durable, non-durable goods and services. Durable goods are the ones that are used for more than three years after the purchase, like electronic equipment or toys, while non-durable are fast to be utilized, like food products or cosmetics. The third category, services, is characterized by intangible benefits it brings, like going to a restaurant or visiting a museum. A person does not usually gain any possessions when he/she acquires a service. Such a classification is useful, but insufficient for getting the

whole picture to understand the consumption patterns of Russians visiting Imatra. (Piana 2001).

Another way to classify consumption is by purpose. The United Nations Statistical Division has a very detailed such classification named COICOP (Classification of Individual Consumption According to Purpose). This classification can be seen in Appendix 1 (The United Nations Statistics Division). The mentioned classification does not fit the current research because its focus is different from the focus of the current research. COICOP includes such categories as health, education, communication, housing – something very important for daily consumption in one's homeland, but different from what one would like to get on a trip. Therefore, a tailored classification on the base of COICOP should be devised for on-trip consumption.

The advice on shopping in Finland for Russian tourists is one good source that can help classify the consumption expenditure of Russians. The website www.to-finland.ru offers the following categories of shops to visit: big shopping centres and department stores (wide variety), hypermarkets (all the product categories are in one place), discount supermarkets (cheap), small food stores (to eat on the trip), appliance shops (high quality of the products), furniture (high quality), clothing and footwear stores (popular brands), specialized stores for children (high quality, very popular), tires and tubes (cheap), and fish shops (tasty, high quality, natural products). (To Finland).

Basing on the three classifications of different nature above, a new classification adapted for the case of Russian tourists in Imatra was derived. The proposed categories are as follows:

1. Food and beverages
2. Restaurants, cafes
3. Goods (including clothes) for children
4. Clothing, footwear and accessories
5. Cosmetics and personal care
6. House furniture
7. House appliances and electronics
8. Household chemicals and small items for household maintenance
9. Automobile accessories
10. Activities

- 11. Transportation
- 12. Other expenditure

The scale of expenditures adopted should be such that the respondents would be able to rank how much they spent on every category. Forty Euros is an important barrier as the people who want to get Tax Free shopping have to buy the products minimum for the total price of forty Euros (Global Refund Group); it is commonly believed that the sum is calculated separately for food products and manufactured goods (when one searches for 'tax free Финляндия' on Yandex.ru, the most popular search engine in Russia, the three top results coming up claim that tax free on food and non-food products is counted separately; the information is clearly old, because the VAT there is said to be 10-16%, but the information is not refuted anywhere). Therefore an adequate measure in Euros might be 0; less than 10; 10-19; 20-39; 40-99; 100-199; 200-499; 500 or more.

3 RUSSIAN CONSUMPTION PATTERNS

3.1 Everyday Consumption

The simplest and most obvious way to study consumption patterns of Russian citizens is to explore the official statistics on their household consumption. Figure 3.1 shows the share of different product categories in the total consumption expenditure averaging 8216.8 rubles per person per month as of the year 2008. (Federal State Statistics Service 2008).

Structure of Russian household consumption expenditure 2008

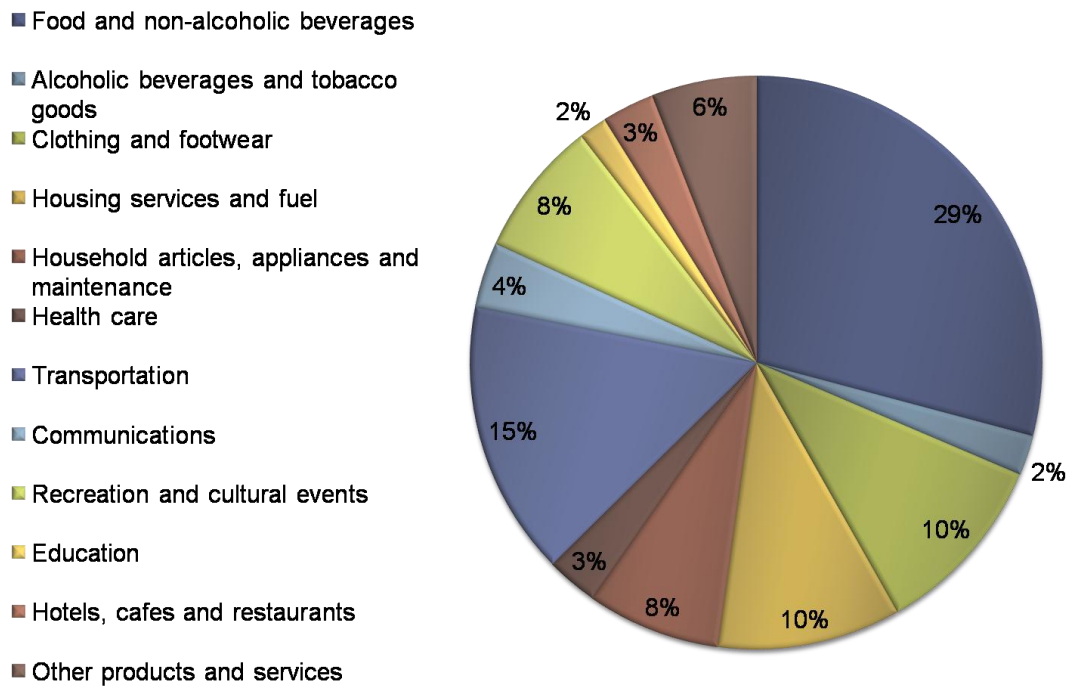


Figure 3.1 Structure of Russian household consumption expenditure (Federal State Statistics Service 2008)

As can be seen from Figure 3.1 above, almost one third (31%) of expenses of an average Russian household is incurred on foodstuffs (including tobacco goods and alcoholic beverages). The second most substantial product category in terms of spending is transportation, followed by clothing and footwear, and housing services and fuel. (Ibid.).

As the nature of the study involves examining Russian tourists, it is wise to know their psychology in more detail in advance. In this matter there are no theory books; but some survey results, marketing research and official statistics can help a lot in understanding Russian consumption patterns.

GfK Russia research company (a branch of GfK research group) has studied Russian consumption at the end of 2008. The results show that the consumption habits of Russian citizens are steadily moving towards those of their European counterparts. More customers pay attention to the type and location of the shop, variety of the products, possibility to pay with a credit card, service and

quality levels. More people are beginning to travel to the shops by car, thus the presence of a parking lot becomes an important factor in deciding where to go shopping. (GfK Rus 2009). In the case of Imatra, such attitude is beneficial for the locality as Imatra combines a location close to Russia with European standards of quality.

In August 2006, ROMIR Monitoring research holding undertook a research on the Russian daily consumption habits. The results state that 55% of the respondents shop almost every day (64% among women versus 44% among men), including 28% who shop at least once a day. The practice of buying the foodstuffs once a week in big quantities is followed by only about 10% of the whole population, but in big cities such as Moscow and St. Petersburg this share is as high as 14%. As can be seen from the research, women are more often responsible for shopping than men. Among the people surveyed, 18% of men claimed that they do not go shopping at all while among women this share is only 5%. Therefore, in most families women can be considered as deciders when it comes to everyday shopping. (Маркетинг журнал 4р, 2006).

The attitude towards brands has also changed dramatically in the last 20 years. At the end of 1980s an average Soviet consumer knew only about 5 foreign brands, by 1993 the number accounted for 30, and by 1995 it rose 10 times and averaged 300. At that time, brands were associated with foreign countries and were considered a quality mark. Nowadays, brand is an important element in consumer behaviour of Russian citizens and it is no more associated solely with imported goods. Only 19% of the people who were surveyed still prefer to acquire imported products. Two thirds of respondents state that their knowledge of a brand affects their buying behaviour, and for one half of the Russian population a product of a known brand seems better than those they have never heard of. At the same time, there is a considerable contradiction in the fact that for 47% of the Russian population price still stays the main factor in deciding what to buy. However, the research suggests that this number is gradually decreasing and the trend is such that the content will eventually overpower the price for the majority of Russian people. (GfK Rus 2009).

Advertisement is something that Russian people say to be tired of and irritated with: for example, 53% of respondents claim that they try not to watch it. That is not very surprising, as the number of advertisement present on Russian TV is abundant, there might even be the same ad repeated twice during one commercial break, and during one break the majority of ads might promote the same type of product. Although most Russians do not like advertisement, research has shown a high correlation between the frequency of advertising, the awareness of the brand and the number of purchases. (Ibid.).

Unlike the European society, Russian is not ready to think of such global issues as ecology and sustainable development. Everyone is busy thinking about themselves. Thus 55% of the population believes that environment protection is something the government should be dealing with, and only 38% of the respondents are ready to sacrifice the effectiveness of their cleaning agent if it is more ecologically friendly. Even more surprising is that the same negligence can be seen in the attitude towards their health. Although 61% of the respondents agree that they try to look for healthy food while shopping, only 30% regularly consume low-fat, low-calorie products and products with low sugar content. The number of people who can give up eating favourite food if it is not healthy is as low as 25%. (Демидов 2004).

3.2 Spending Abroad

While travelling, the priorities of a Russian person change considerably. Vacation is the time to enjoy oneself and thus spend more money as opposed to everyday working life. A survey by American express has shown that 36% of Russian travellers take more than 1 thousand dollars either in cash, on a credit card or in traveller's cheques while going abroad, and 42% of respondents spend all the money they take on the trip. The same research reports that 27% of Russians have travelled or are planning to travel abroad for the sole purpose of shopping at the destination. (AllTravels.com.ua, 2008).

Another interesting research on the topic of Russian tourists' spending abroad was jointly conducted by Citibank, IRG research group and travel agency network 'kuda.ru'. The money flows of 10 thousand debit card owners who were at least 22 years old and whose income was at least 9 000 rubles per month were scrutinized. The period studied was the year 2007. First of all, consumption abroad was highest during January (60% more than the annual average). May and March came next in the rating, although the difference with other months was not as dramatic as at the beginning of the year. Finland ranked eighth among the countries where Russian tourists spend most money, and this can be explained by the proximity of the destination to Russian citizens, especially those living in Saint Petersburg. However, judging by the average value of a transaction abroad, Finland came only on the tenth place, meaning that the purchases made in Finland are relatively lower but more frequent than in Turkey and Austria, which came ninth and tenth in the first ranking but managed to surpass Finland in the second one. Finally, the last part of the research dealt with the places where Russian tourists spend most money when using cards. Hotels were the most expensive: 24% of all the transactions abroad were conducted with hotels. Clothing shops abroad gained 20% of the Russian card holders' money, followed by 12% gained by jewellery and watch shops, 6% by shopping malls, 5% by restaurants, 4% by car rent, 3% by airlines, 3% by Duty Free shops, 2% by supermarkets, and 2% by small wares shops. The biggest average check belongs to the visitors of jewellery and watch shops – it equals to \$1500. The second most expensive service is car rent – around \$550 per cheque. The average expenditure of a visitor of a clothing store is more than \$300. On average, going to a restaurant costs a Russian tourist \$100. (RATA-news 2008).

Very revealing is another result of the same research made with the help of Citibank. This revelation deals with the gender of the buyer. Although the ratio of the debit cards held by women was the same as the ratio of the credit cards held by men, 70% of spending abroad was made by men. Almost two thirds of the money was spent by card holders older than 35, meaning that age does have an influence on the consumption patterns of Russian tourists. (Ibid.).

The foregoing consumption habits confirm that in the Russian society, like in many others, the man is the one who carries the wallet while the woman is the one who chooses what to buy. To use the more official terms, the man is most often the buyer while the woman is the decider. The buyer is the hardest role to determine, so this knowledge is very valuable for the companies trying to sell their product. (Boone, Kurtz, MacKenzie & Snow, 2009).

3.3 Changes Caused by the 2008-2009 Financial Crisis

Consumer spending in Russia suffered heavily from the financial crisis of 2008-2009. While it was steady from 2003 to 2007, averaging 69.4%, it rose to 73.2% in 2008 just to drop to 62.7% in June 2009 (the latest available statistical data). Consumption sank as a result of the financial crisis because people try to save money in hard times. It can be illustrated by savings that increased from the 2008 average of 5.8% to 16.5% as of June 2009. (Federal State Statistics Service, 2010b)

In 2009, the retail trade made up 94.5% of the same figure the year before. Even more considerable was the drop in public catering: 13.5% down from the level of 2008. The slowdown of the income growth rate of the population resulted in changes in consumer habits, demand for cheaper goods and modified supply within all sales formats. Sales of foodstuffs (including beverages and tobacco goods) in 2009 decreased by 2.5% from a year before; non-foods fell even more, by 8.3%. As a result, the share of foodstuffs in retail trade rose to 48.6% from 46.8% in 2008. Of the total household expenditure, 29% (as of the third quarter of 2009) is spent on foodstuffs, which is much more than in the US (6.2%), Great Britain (7%), Germany (9%), France (10.7%) or Japan (12.2%), meaning that the foodstuffs retail market in Russia is not yet saturated. (Ministry of Economic Development of Russian Federation, 2010).

The ways to spend less practised by European respondents (including Russians) were studied by GfK research group in the winter of 2009. Their press release on this topic showed the most popular actions taken by different nation-

alities to save money. Among Russian people, the most popular approach practised by 49.3% of the population is to spend less on clothes and shoes. A little lower percent of respondents, 44.9%, decided to postpone such large-scale purchases as household appliances, furniture and new cars. The third most practised method involves buying food and beverages at the lowest possible price: 38.2% of Russians use it. Other ways to spend less that are practised by more than a quarter of the Russian population are to visit cafes and bars rarer; eat out less frequently; go out to theatres, cinemas and concerts less; and spend less on the vacation. (GfK Rus 2010).

On the other hand, in the third quarter of 2009 Profi Online Research decided to explore what the things are that Russian people are not ready to save on. Even in the times of financial crisis, Russians do not want to cut their expenses on their loved ones, especially children. They are ready to buy more expensive brands of baby food (74% of respondents), means of personal hygiene for children (71%), medical supplies (66%), fruits (49%), footwear (46%), clothes (42%), sweets (41%), dairy products (41%), beverages (40%), and means of personal hygiene (38%). The other reasons to spend more turned out to be celebrations (including buying something as a present): for that reason, 62% of Russians are ready to spend more on alcoholic beverages, 48% on caviar, 44% on jewellery and 40% on sweets. Some Russians are also ready to spend more money in order to cheer themselves up: for example, 44% are ready to indulge themselves in perfume or cosmetics, 43% in clothes, 38% in footwear, and 35% in tobacco goods. On the contrary, basic food products like bread, eggs, groceries, pasta or spices, as well as basic non-foods like household goods, household chemicals, textiles, means of hygiene, and automobile accessories are something that people in Russia are not prepared to pay more for. The same is true for large-scale purchases such as cars, furniture and large household appliances. (Profi Online Research 2009a,b,c).

The second part of the same research dealt with the ways to spend less on non-foods. The results show that the goods that Russian people are not ready to save on are medical supplies (49%), and means of personal hygiene for children (40%) and for adults (32%). The most popular way to save on different

items, however, is to look for a shop where they cost less: depending on the category of the product, from 38% to 54% of the respondents follow the practice. Another practice was to buy certain goods less frequently or in fewer quantities, and the most vulnerable items in this aspect turned out to be jewellery (43%), furniture (33%), textile (33%), leather accessories (32%), video equipment (32%), audio equipment (30%), and large household appliances (30%). On the contrary, for some goods it pays to buy them in bigger quantities: particularly, this course of action is chosen by 14% of Russians when it comes to household chemicals; by 12% concerning means of personal hygiene; and by 10% concerning means of personal hygiene for children. The last method to cut the costs studied was to look for cheaper brands of the same product. This way is taken by 24% of the respondents buying household chemicals, 23% buying clothes, and 22% buying household goods. (Profi Online Research 2009b).

4 ECONOMIC IMPACT OF TOURISM

Many models to estimate the economic impact of tourism exist, for example, Computable General Equilibrium models and Tourism Satellite Accounts. The challenge is that they require substantial resources to construct an economical model for the studied region. One model that seems less resource consuming and very flexible in use is called the Nordic Model of Tourism, and it will be studied in more detail in this chapter.

The Nordic Model of Tourism is a research method for identifying the effects that tourism has on regional economies. This model implies that tourist expenditure causes direct, indirect and induced effects. Direct effects are the simplest to calculate because they are measured by the amount of money tourists spend in the destination and thus by the amount of money local enterprises receive directly from tourists. Indirect effects are less appreciable than direct ones, but they are still significant. Those indirect effects result from primary tourism enterprises paying to their local suppliers, which would not happen if there was no tourism in the area. The employees that have been hired in order to service the

tourists contribute to the direct employment effect; the employees hired by suppliers in order to fulfil the orders given by primary tourism enterprises contribute to the indirect employment effect. Both direct and indirect effects induce more income to be received by the local households, and consequently the local household expenditure increases as well. That phenomenon is exactly what is meant by induced effects of tourism on the local economy. The local economy is therefore affected by tourism on three levels, each of which has a positive impact on the amount of taxes received by the local authority of the region in question. (Paajanen 1999).

Applying the Nordic Model of Tourism involves two distinct methodologies: income and expenditure methods. Such a holistic approach enables to look at the issue from two complementing sides of supply and demand, therefore obtaining more reliable information. (Ibid.).

The expenditure method consists of finding out how much money tourists spend in the location by different business lines. That is done with the help of a primary research on the topic of the average daily consumption expenditure of different tourist types by different product categories, combined with a desk study on the total number of tourists coming to the region throughout a fixed period, usually a year, segment by segment. The result obtained is an estimation of the total tourism expenditure throughout the studied period by different business lines. (Ibid.).

The second part of the Nordic Model of Tourism, the income method, is conducted independently of the expenditure method, but the results are meant to be comparable. The main aim of the income method is to find out the contribution of tourism to the local tourism enterprises (first cycle) and their local suppliers (second cycle). The biggest challenge of this method comes from defining tourism as an industry: the lines of business that are considered primary tourism enterprises should be defined separately for every studied region taking into consideration the characteristics of the local economy. After that, the chosen enterprises are questioned as to what was the amount of cash flow received directly from tourists (direct income effects), how many members of the staff

had to be hired to service the tourists (direct employment effects), and what were the purchases made from the local suppliers (indirect income effects). The same algorithm is used afterwards for questioning the supplier enterprises to estimate the indirect income and employment effects from their point of view. The induced economic effects of tourism are too complicated to examine, thus they are usually supposed to be some percentage of the sum of direct and indirect effects. (Ibid.).

The next stage of the research is to compare the results of the two methods. Theoretically they should be identical and the income received by the primary tourism establishments of one business line should coincide with the annual tourism expenditure made by the tourists on products and services of that business line. However, if the results differ then the more reliable result is chosen. If the results of the income and expenditure methods are equally reliable, the arithmetic mean of the two numbers is calculated. A subsequent analysis helps to study the contribution of different tourist types to the local economy and the distribution of that contribution among different business lines. On the basis of all the collected data, the taxes to be paid to the local authority as a result of touristic activity in the region are estimated. The final stage consists in calculating the net value of tourism for the local economy by subtracting the costs of tourism from the taxes received by the local authority. (Ibid.).

The model is very flexible as it is tailored for every studied region in question, but the same reason leads to incomparability of different studies made with the help of this method, and a huge workload in planning and conducting the surveys and interviews. Therefore the current study will not attempt to obtain all the information necessary for applying the methodology; instead, a rough version of the expenditure method will be carried out: a preliminary study that could assist future researchers in analyzing the economic impact of tourism in the region.

5 IMATRA REGION AS A DESTINATION

Imatra region consists of four municipalities in South Karelia, Finland. The municipalities are Imatra, Parikkala, Rautjärvi and Ruokolahti (South Karelian Tourism Ltd). Out of these four municipalities, only Imatra is a town. The population of Imatra is 28 899 inhabitants as of 2009, and it is gradually decreasing since the 1980s (Imatra in pocket, 2009/2010). Each of the other municipalities has a population of approximately 5 000 inhabitants (Wikipedia).

Imatra has a unique position on the border with Russian Federation. Although it is by no means the only place where Russian-Finnish border can be crossed, it is the only border-crossing point between the two countries where urban infrastructure is immediately available on both sides of the border, owing to the town of Svetogorsk with a population of 15 000 on the Russian side. That explains the popularity that the Imatra checkpoint enjoys, especially among Finns. (Lintunen 2007)

The economy of the region has been traditionally based on the paper production, with the biggest employer being Stora Enso Oyj. But among the top 10 employers, a couple of tourism-related can be seen: for example, VR Ltd and Imatran Kylpylä Spa (Imatra in Pocket 2009/1010). With Saimaa Gardens about to open in the nearest one to two years, the importance of tourism for the region is growing even faster than before. The webpage of the project tells the following:

“Saimaa Gardens will be the leading tourist and leisure time resort in Finland. This over 300 hectare area will offer attractions such as a world-class holiday spa, a golf centre, a multi-function arena, several restaurants, plenty of shopping and activities as well as space for 8,000 over-night visitors.” (Saimaa Gardens).

Already today the importance of tourism for Imatra is considerable, and that can be seen in the numbers of existing statistics on the subject studied in more detail in the next chapter.

6 EXISTING STATISTICS

At present, no exact statistics exists considering the consumption of Russian tourists in Imatra. The latest consumption survey was conducted there in the 1980s, so no information is available on this topic for secondary research. The only statistics available on Russian tourists in the region deals with the number of visas given to Russians in the Consulate General of Finland in Moscow and the three embassies in St. Petersburg, Murmansk and Petrozavodsk; the number of arrivals of Russian citizens to Finland through the different checkpoints of South Karelia; the number of Russians staying overnight in the establishments of the region; and, finally, the total value of Tax-Free purchases by Russians. All the above mentioned information is available on a month by month basis over the last years.

The conclusions that can be drawn from the statistics of MEK (2009a) are the following: first of all, the financial crisis did influence Russians travelling to South Karelia a lot. The number of visas issued in 2009 decreased from the previous year by 14% in Moscow, by 15% in Petrozavodsk, did not change in Murmansk, and rose by only 5% in Saint Petersburg as opposed to 22% increase from 2007 to 2008. The number of Russians entering Finland through South Karelian checkpoints decreased by 9%; the number of overnight stays in South Karelian establishments decreased by 7%; and Tax Free sales to Russian tourists in Imatra and Lappeenranta decreased by 6% during the same period.

Other facts that can be learned from the statistics (MEK 2009a) follow: Saint Petersburg embassy issues almost 3 times more visas than all the other diplomatic missions of Finland in Russia altogether. Vaalimaa is the most popular checkpoint among Russians, while among Finns it enjoys the same popularity as Imatra, therefore it can be concluded that more Russian people arrive in Finland through Lappeenranta than through Imatra. Tax Free sales in Lappeenranta are the biggest in the whole country, accounting for €38 million, while the same measure in Imatra makes up for less than €7 million; yet Imatra is much

more popular among Russians in terms of overnight stays: 97 427 stays in Imatra in 2009 as opposed to 39 286 in Lappeenranta the same year.

The most popular months for Russian tourists to come to South Karelia are August and January, but in 2009 the tendency distorted a little and January became the month with the biggest number of Russian overnight stays, followed by July and only then by August. This could also be explained by the impact of the financial crisis. Still, Russian tourists remain imperative for the South Karelia region and especially for Imatra: the number of overnight stays of Russian tourists in Imatra almost equals that of Finnish citizens, and Tax Free sales in both Imatra and Lappeenranta are done almost completely by Russian tourists: only €17 000 has been left in Imatra, and €122 000 in Lappeenranta, by tourists coming from countries other than Russia. (Tutkimus- ja Analysointikeskus TAK Oy, 2010).

Another source, a Finnish border survey dealing with all the foreign nationalities visiting the whole Finland, shows that 43% of all incoming tourists in winter month (November through April), and 34% of all incoming tourists in summer months (May through October) arrive from Russia. This decrease from winter to summer months is not due to any decrease in the numbers of Russian tourists: these numbers in fact even increase slightly. Instead, the number of tourists of other nationalities is much higher in summer than in winter, the only exception being Great Britain: slightly more tourists from this country come to Finland in winter than in summer. (MEK 2009a).

The survey of Finnish Tourism Board reveals that the average expenditure of a foreigner in Finland is €55 per day. Among Russians on a trip to visit friends and relatives the figure is lower and accounts for €44 per day, but if the purpose is 'other leisure trip', the expenditure rises to €131. As a result, the average expenditure of a Russian tourist in Finland in 2008 made up €107 per day. The average age of the visitors was 39 years, and the proportion of men to women was 1:1. Among all the Russian tourists in 2008, 67% came on a one-day trip; others spent on average 1.4 nights in Finland. (MEK 2009b).

7 RESEARCH METHODS

The focus of the current research is quantitative. The main method employed is a structured interview based on a questionnaire. The differences are that when an interviewer is present, questions might be more complicated compared to a self-completion questionnaire; the process as a whole is more flexible and can be changed if needed; and, most important, the response rates are higher. (Bryman & Bell, 2007, 242-243). The questionnaire form was composed founding on the foregoing theory. The translated version of this questionnaire form in English can be seen in Appendix 2.

The base of the questionnaire was the thesis of Inka Laukkanen (2009) on 'Modelling Consumer Behaviour in Tourism'. Her work deals with composing a questionnaire form for researching the tourism consumer behaviour. The questionnaire form designed in Laukkanen's work helped to outline the questionnaire form of the current study and determine the sequence of questions to be asked: the questions on the general background information which are easy to answer and which put the respondents at ease come first; following them are the more specific questions dealing with the topic of the research; and at the end of the questionnaire await the questions that the respondents might feel uncomfortable to answer (such questions are placed at the end of a survey to minimize the number of people refusing to complete it).

Next, the research questions were meticulously analyzed to determine what the issues central to the research are. The research questions are the following: which categories of products and services are the most popular among Russian tourists coming to Imatra; how much money do Russian tourists spend on every category; and what are the factors influencing the consumption of Russian tourists in Imatra? Thus, the main question in the whole questionnaire is the one under number 15: how much money was spent that day by categories of products. A relevant categorization needed to be developed both in terms of product categories and expenditure intervals, and this process needed a desk study to

be conducted beforehand. More detail on designing this question is available in Chapter 2.4: Classification of consumption. Question 15 helps to answer the first two research questions. All the other questions except for the number 14 (where else the person was planning to go that day) were added in an attempt to find out the factors that influence the consumption patterns of tourists. Occupation and education questions were borrowed from the adopted for the Russian society ESOMAR methodology of determining social status (Тихонова 2007). The response categories for the income question were borrowed from Березин (2006); all the other response categories were designed independently with the assistance of some common sense. Question number 14 is different from the other questions as its purpose is not to examine how it influences consumption but to find out if the tourists have a potential to spend more that day.

As the aim of the research is to study the consumption patterns of all Russian tourists coming to Imatra and not some particular segment, a decision was made to ask any Russian person met at the site of conducting the research (excluding only those who live in Imatra and therefore cannot be considered tourists any longer). The sample is thus close to simple random sample but it also includes some characteristics of systematic (the respondents are asked at predetermined sites only) and cluster sample (the unit of the study is not a person but a family; only one person per family is asked to answer the questions) (Bryman & Bell, 2007, 185-191). Due to certain characteristics of the data collection process, the sample is representative not of all the Russian tourists who arrive at Imatra but of those tourists who are interested in visiting some of the most popular shopping sites for Russian tourists in Imatra (Imatrankoski, hypermarkets in Mansikkala, and Imatra Spa); therefore, one important point had been to collect enough completed questionnaire forms from all three studied sites.

The data collection itself took place between April 9 and 11; 2010. Four Russian students of Saimaa UAS were used as interviewers. April 9, Friday, was reserved for a pilot study; only two interviewers were working in hypermarkets from 5 p.m. to 8 p.m. that day. The form showed to be successful, so it was used unchanged during the rest of the weekend. On Saturday and Sunday

mornings four interviewers were collecting the data in the areas of Imatrankoski, hypermarkets in Mansikkala, and Imatra Spa. Saturday was the day with the biggest amount of tourists visiting the mentioned sites, so conducting the questionnaire turned out to be easiest then. The interviewers were stationary and the visitors mobile, and the interviewers had to follow some strict rule for the sample to be unbiased (Veal 2006, 286). As the number of Russian tourists on Friday left much to be desired the rule was quite simple: to ask all the Russians seen; but on subsequent days the interviewers had to ask the next Russian person they encounter once the previous respondent had answered and filled in the lottery ticket. Out of 160 printed questionnaire forms, 128 were returned, covering 372 visitors in total. The respondents were also offered sweets and a chance to win a package consisting of one night in one of the Imatra or Lappeenranta hotels, cruise on the Lake Saimaa, and exhibition tickets for two provided by GoSaimaa as an incentive for completing the questionnaire form. As a result, 91 lottery tickets with contact information were collected separately from the questionnaire forms.

The questionnaire forms were afterwards processed and recoded into an SPSS matrix. With the help of the SPSS software, the data were further analyzed by descriptive statistics (frequencies) to illustrate the obtained results, and cross-tabulations to determine any compliance between the studied variables. Coding the questions turned out to be rather easy due to the careful questionnaire design where only a couple of questions could have more than one answer and most of the other questions were already pre-coded. Excel needed to be used in a couple of instances for analyzing and making charts for the variables that could have more than one answer. Many auxiliary variables were used for cross-tabulations, but one of the most important auxiliary variables has been designed to estimate the total consumption expenditure by adding up the average of the amount spent on all the product categories, and thereafter coding the results into four distinct categories. This variable can be used effectively for determining what factors influence the total consumption of the visitors. Cross-tabulations were conducted with the help of Pearson Chi-Square test with significance level of 0.05. This non-parametric test was used a lot due to the nature of most variables in the current study: they are ordinal and nominal.

8 RESULTS

This chapter outlines the outcomes that analyzing the questionnaire forms brought in. It provides the descriptive statistics of the answers obtained and cross-tabulation results linked to the studied matter on a question-by-question basis, and finishes with outlining what the total expenditure depends on. The results are grouped for easier understanding: for example, the income is moved to be among the social factors.

8.1 Interview Site

The share of completed questionnaire forms that were collected at different sites can be seen in Figure 8.1.

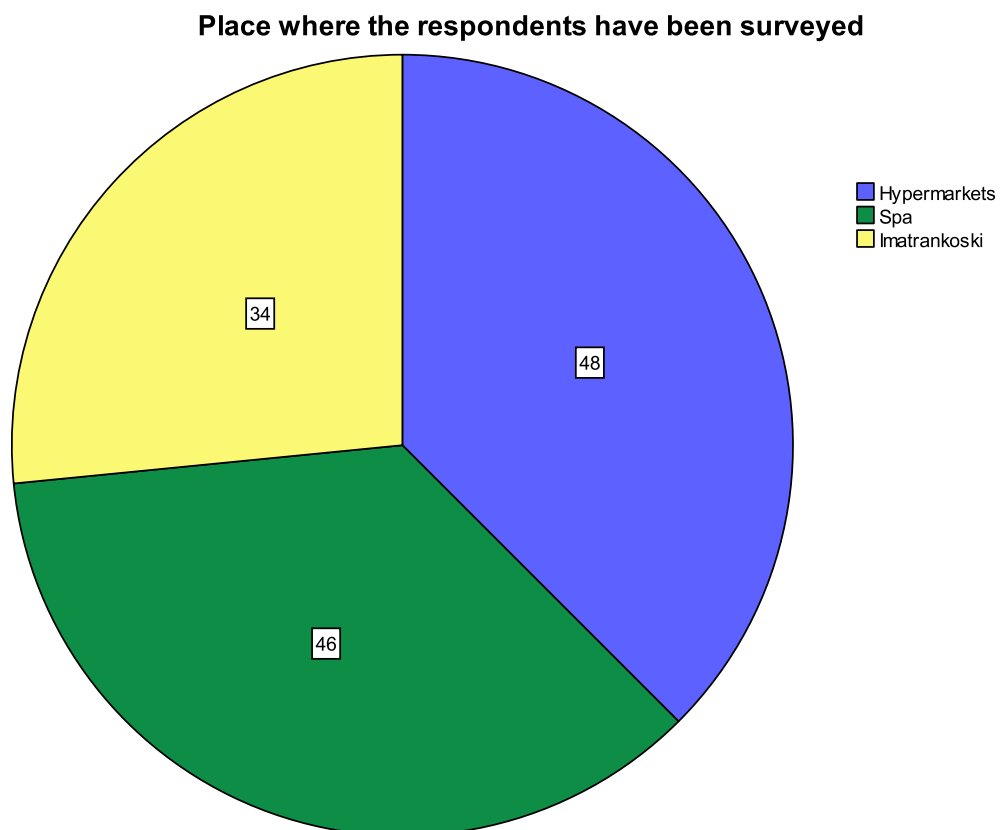


Figure 8.1 Number of completed questionnaire forms obtained from the different sites

As can be seen from Figure 8.1 above, the number of answers collected from the different locations is about the same. The interviewers in Imatrankoski yielded the lowest number of responses, 26.6% of the total collected forms, while the interviewers working in hypermarkets got the biggest share (37.5%). The interviewers at all three locations gathered enough completed questionnaire forms for the results to be comparable, making it possible to analyze the differences between the consumption patterns of tourists visiting the three different types of location. Cross-tabulation detected that residence (statistical significance 0.003) and mode of transportation (0.031) differed from place to place. In Imatra Spa 89.1% of respondents were from Saint Petersburg, none from Vyborg and the rest from other areas. In Imatrankoski 58.8% of the respondents were from Saint Petersburg, 20.6% from Vyborg and 20.6% from the other areas. The results from hypermarkets were similar: 56.3% from Saint Petersburg, 22.9% from Vyborg and came 20.8% from other areas. As for the mode of transportation, 89.6% of Russian tourists visiting hypermarkets, 79.4% visiting Imatrankoski and only 67.4% visiting Imatra Spa arrived by car.

8.2 Social Factors

The second question of the questionnaire form (being the first question asked directly from the respondents) deals with the occupation of the main income earner. The answers are summarized in Figure 8.2 below.

Occupation of the MIE

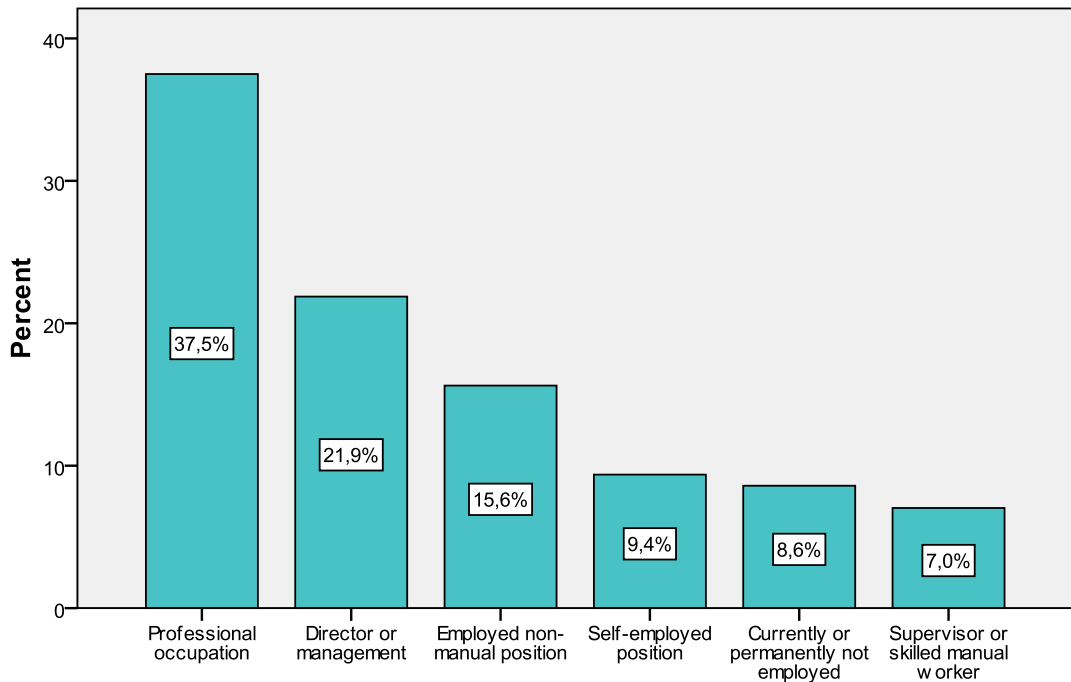


Figure 8.2 Occupation of the main income earner

Figure 8.2 above illustrates what the occupations of the people who earn money to be spent in Imatra are. The highest share belongs to professional occupations such as computer and mathematical occupations; architects; engineers; scientists; social workers; legal occupations; education, art and design occupations; entertainers; media-related occupations; and health-related occupations (United States Department of Labor). Most main income earners of the visitors are white-collar workers, while only 7% of the respondents' income earners belonged to the category of skilled manual workers. 8.6% turned out to be unemployed, but all those people were either pensioners or students. The latter do most likely get the money support from parents and might not know much detail about their income.

The next question aimed to find out the education of the main income earner. The answers can be seen in Figure 8.3.

Education of the MIE

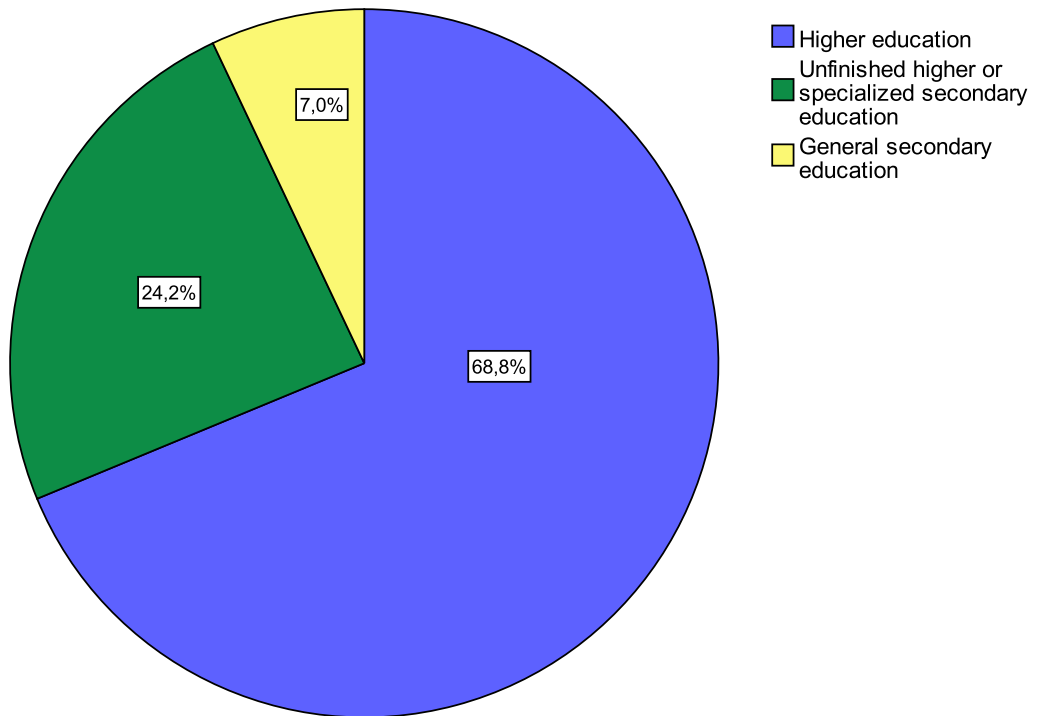


Figure 8.3 Education of the main income earner

Most of the heads of the visitors' families have a higher education, and one quarter has unfinished higher or specialized secondary education, while few income earners have only graduated from a secondary school. No income earners admitted having unfinished general secondary education, thanks to secondary education being compulsory in Russia.

ESOMAR (2003) social grades of the respondent families were obtained by integrating the answers of the two preceding questions about occupation and education. Figure 8.4 below shows the distribution of Imatra visitors by their social grades.

Social status of the family

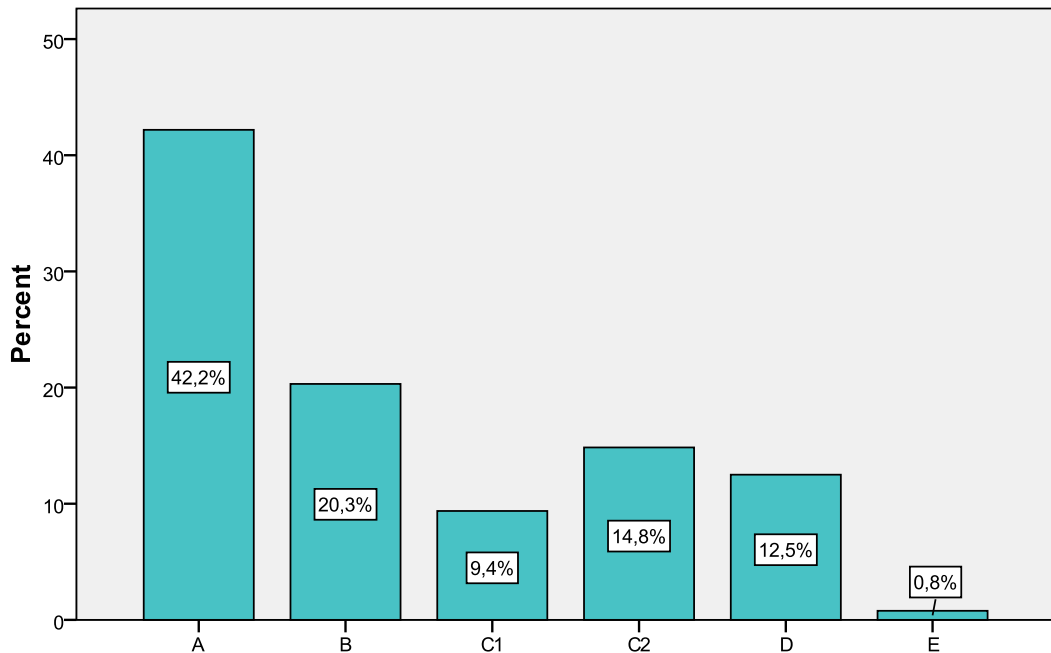


Figure 8.4 ESOMAR (2003) social grades of the families visiting Imatra

The grades of the ESOMAR classification are deciphered as:

- A Well educated top managers and professionals
- B Middle managers, well-educated large business owners
- C1 Well-educated non-manual employees, skilled workers and small business owners
- C2 Skilled workers and non-manual employees, poorly-educated business owners
- D Well-educated unskilled manual workers and unemployed persons; poorly educated skilled workers and people in non-manual/managerial positions
- E Less well-educated unskilled manual workers

(Adopted from Mort 2003 and Тихонова 2007).

Figure 8.4 illustrates that 42.2% of families coming to Imatra are families of managerial or professional workers with higher education. The small number of C1 in comparison to C2 shows that non-manual employees and skilled workers are generally less educated than managers and professionals, and this result is consistent with findings by Тихонова. The negligible percent of families belong-

ing to E category shows that families with the lowest social status do not visit Imatra, which is understandable.

The last question of the survey dealt with income per person per month of the respondent. As not the exact income figures were asked for but solely belonging to one of the pre-determined categories, the response rate was high: 97.7%. The results can be seen below in Figure 8.24.

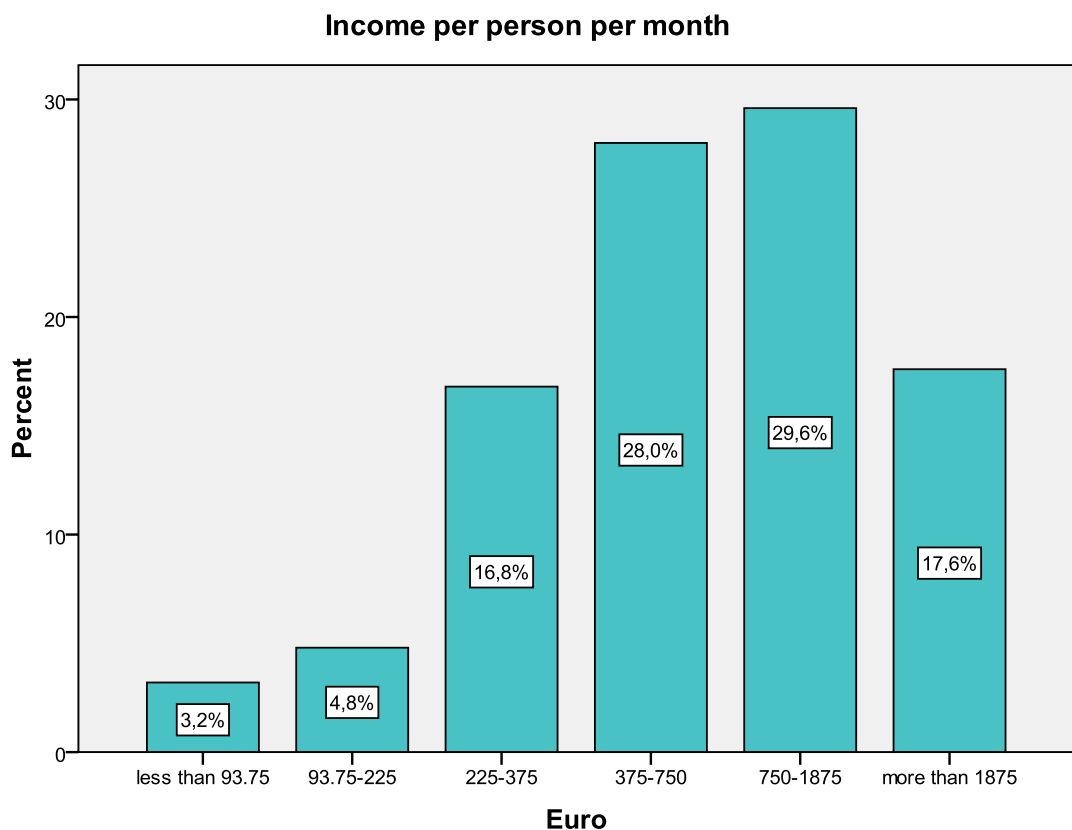


Figure 8.24 Income per person per month

The distribution shown in Figure 8.24 proves that Imatra visitors have a high income level for Russia. Almost one half of the respondents, 47.2% admitted earning more than €750 per person per month.

Income and social status proved to be linked with a statistical significance of 0.000 although income was not used as a factor in determining the social status. The rule is straightforward: the higher the status the more is the income.

As for the gender of the respondents, the ratio of males to females turned out to be close to one. 53.2% of interviewees were females, while 46.8% were males. This enabled almost equal representation of the two genders in the research.

Figure 8.5 illustrates the distribution of different age groups among the respondents.

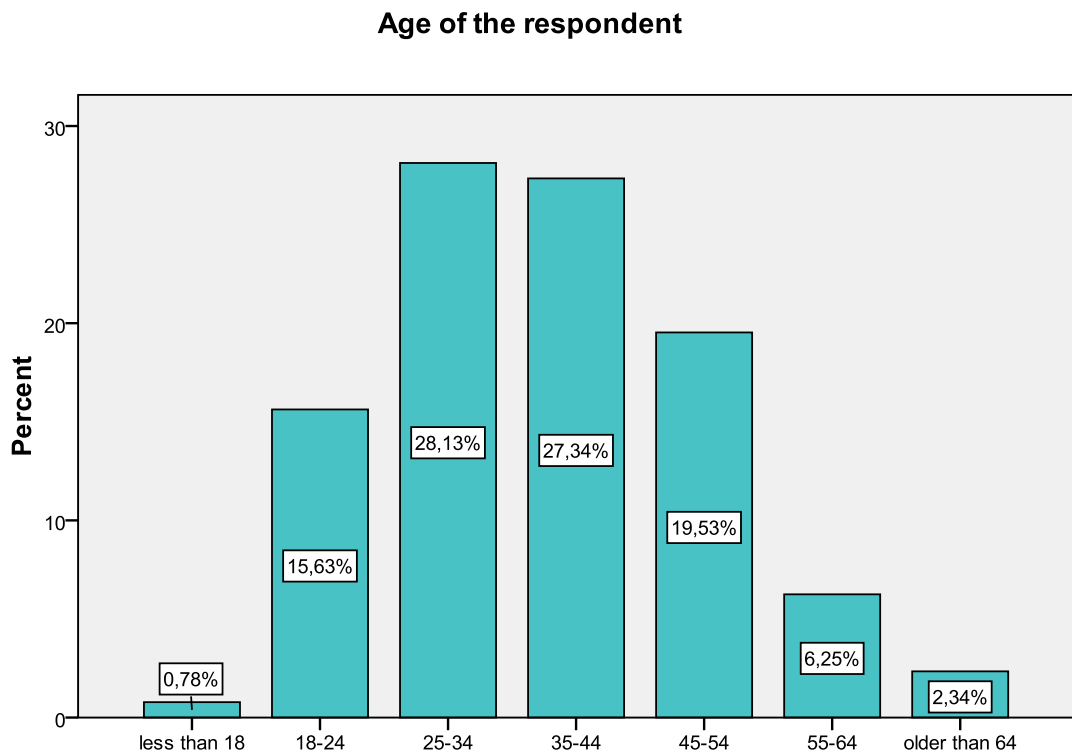


Figure 8.5 Distribution of the respondents by age groups

As can be learnt from Figure 8.5, more than half of the respondents are between 25 and 44 years old. This bar chart does not show the share of different age groups among all tourists coming to Imatra, but it shows the age of the person who knows most about consumption and who can be considered the head of the party. There are much more tourists under the age of 18 than reflected on the chart, but they do not usually determine what and how much to buy, neither can they pay for themselves.

The next question in the survey dealt with the place of residence of the respondents, and Figure 8.6 illustrates the findings.

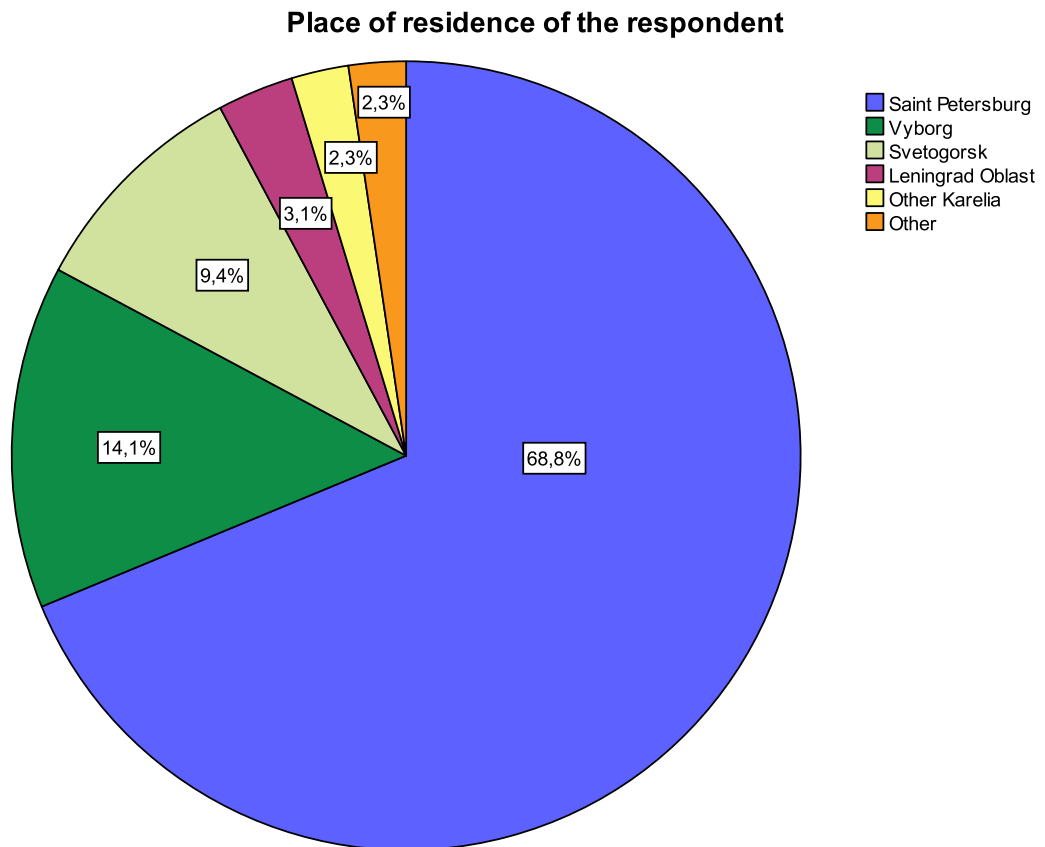


Figure 8.6 Place of residence of the respondent

Figure 8.6 shows that the majority of Imatra visitors come from Saint Petersburg. The share of Vyborg and Svetogorsk visitors is considerable too, while the number of tourists coming from the not so close Russian territories is negligible. That proves that the proximity of Imatra to the Russian border is its main virtue from the Russian tourists' point of view.

The place of residence proved to be linked to income (statistical significance 0.024), education (0.009) and social status (0.011) of the arriving tourists. Generally those coming from Saint Petersburg earned more than others, were more educated and had a higher social status than others.

8.3 Structure of the Company

Figure 8.7 below illustrates answers to the subsequent question in the survey which concerns the respondent's attendants.

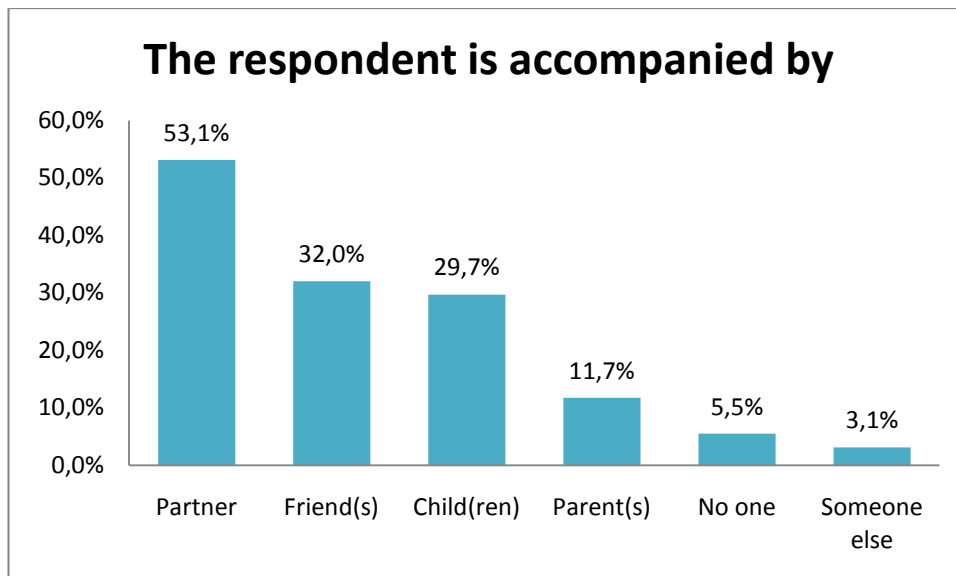


Figure 8.7 Attendants of the respondent

Figure 8.7 reveals that more than half of Russian tourists coming to Imatra are accompanied by their spouse or boyfriend/girlfriend. Almost one third of all visitors travel with friends, and a little less people arrive with their children. Only 5.5% of respondents turned out to be alone, implying that travelling without company is not very exciting. People with higher income brought children and spouses with them more frequently than people with lower income (statistical significance 0.027 for spouses and 0.002 for children). The statistics on the total party size is presented in the next Figure 8.8.

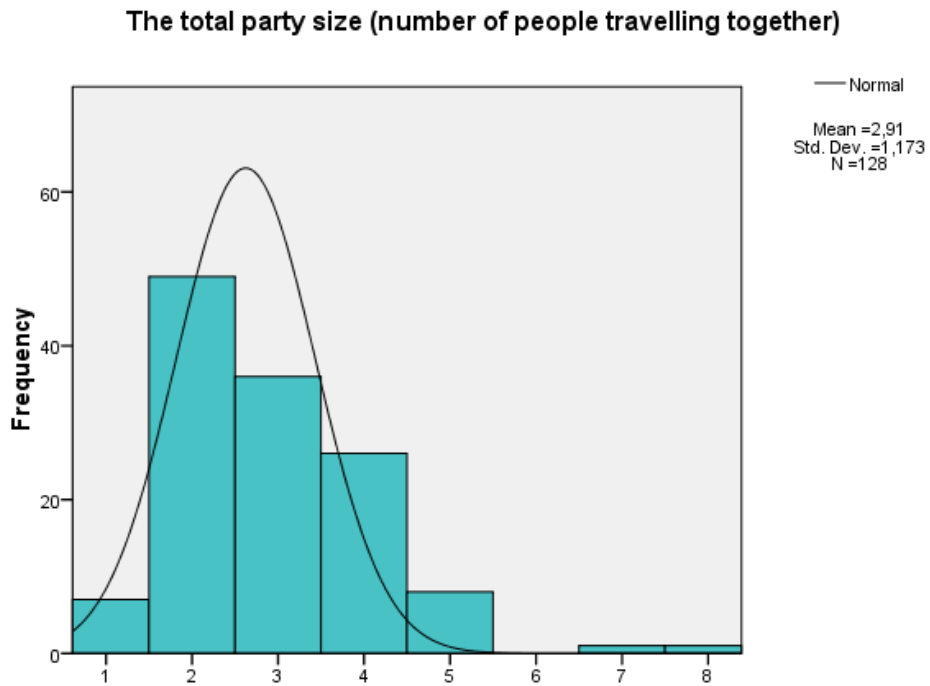


Figure 8.8 Party size

Figure 8.8 signifies that the most common party size among Russian travellers is two people, and such travellers are most frequently couples. 38.3% of respondents had only one attendant, 28.1% had two, and 20.3% had three. It is very convenient to travel by car when the number of people is between one and four, but is also possible when there are five people, and that may explain the popularity of companies of that size.

A correspondence was discovered between the party size and income of the respondents with a statistical significance of 0.004. The more was the income per person, the more was the party size.

The following Figure 8.9 deals with the number of children among the party who are under 18 years.

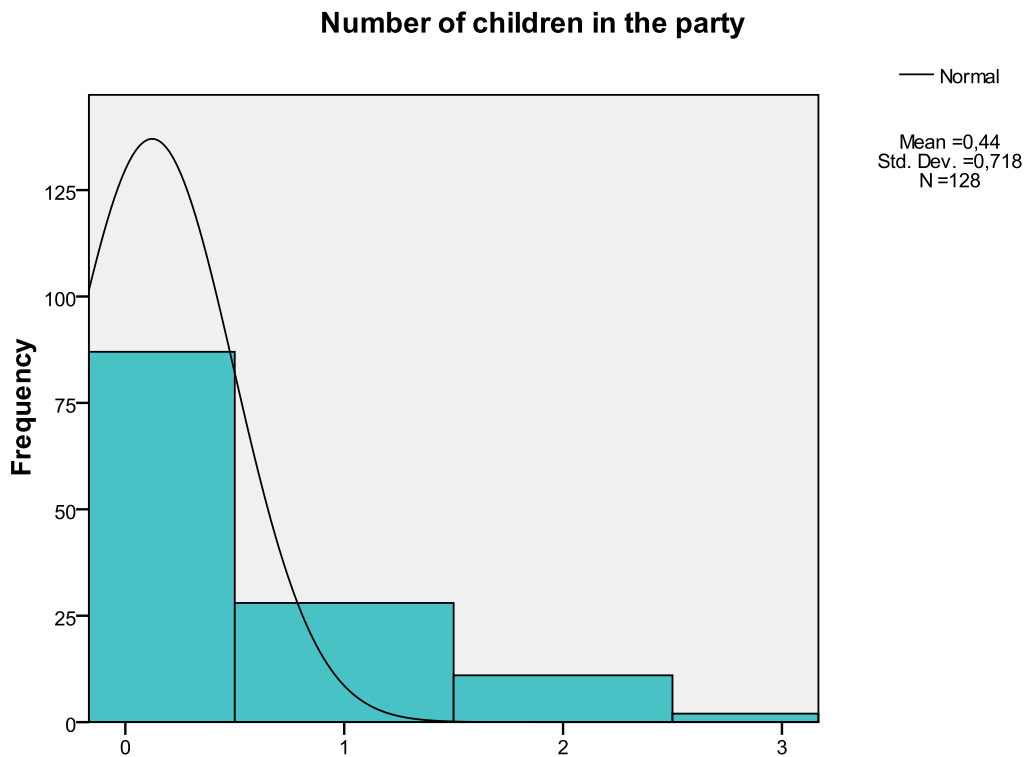


Figure 8.9 Number of children under 18 years

Analysis of Figure 8.9 suggests that 68% percent of Imatra visitors do not have children with them, but others do. 21.9% of respondents came with one child, 8.6% were accompanied by two, and only 1.56% had three children in the party.

8.4 Parameters of the Trip

The following Figure 8.10 answers the question of how long the respondents were planning to stay in Finland.

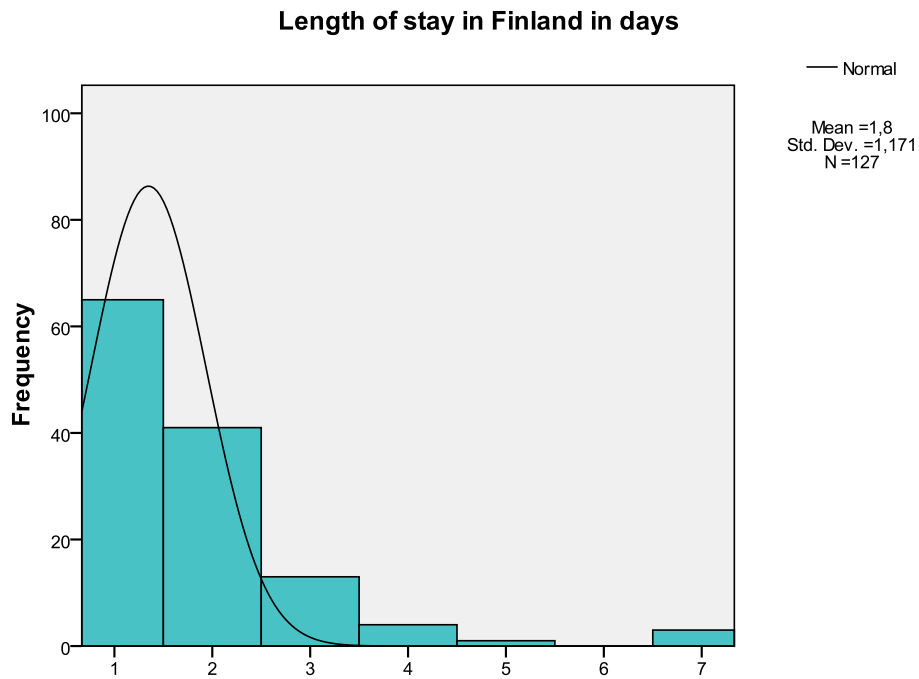


Figure 8.10 Length of stay in Finland

Figure 8.10 demonstrates that more than half of the visitors (51.2%) came to Imatra on a one-day trip; almost one third (32.3%) arrived for two days; and 10.2% stayed for three days. Staying for longer than that is not very popular among the Russian tourists. Among all the respondents, the average length of stay was 1.8 days; but among those who stayed overnight the average length of stay was 2.6 days meaning 1.6 nights.

Question number 11 in the questionnaire form dealt with the purpose of traveling to Imatra, and the distribution of answers can be seen further in Figure 8.11.

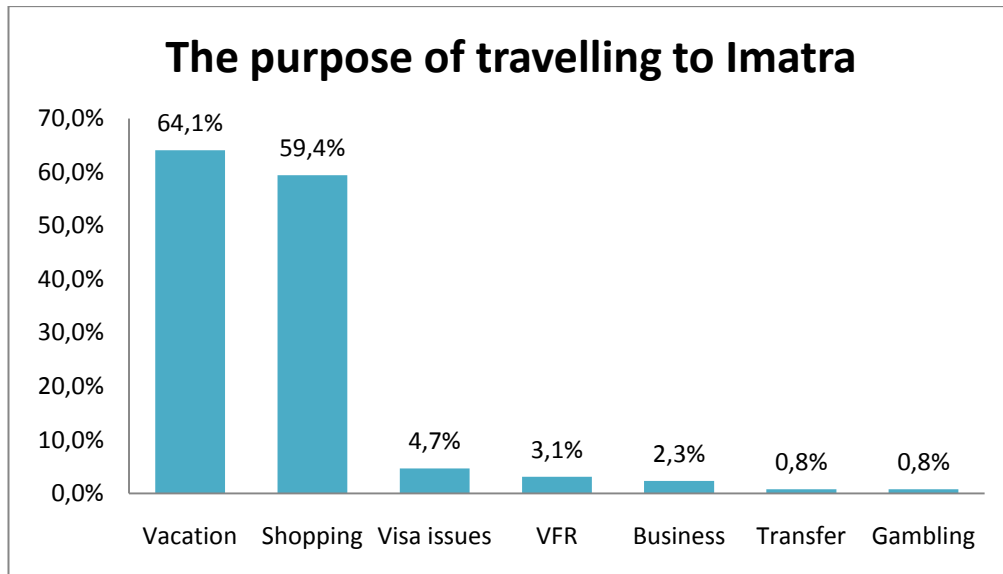


Figure 8.11 Purpose of travelling to Imatra

It should be noted that this question allowed for more than one answer to be chosen at once, therefore the sum of percentages of all the reasons is more than 100%. Vacation and shopping are undoubtedly the two main reasons to come to Imatra among those visiting Spa, Imatrankoski and the hypermarkets. Only 3.1% of the respondents met at the sites came to Imatra to visit friends and relatives (VFR), which is very few, meaning that it is hard to reach such visitors in the studied consumption areas.

Figure 8.12 below reflects the modes of transportation used by the tourists.

The mode of transportation used by the respondent to travel to Imatra

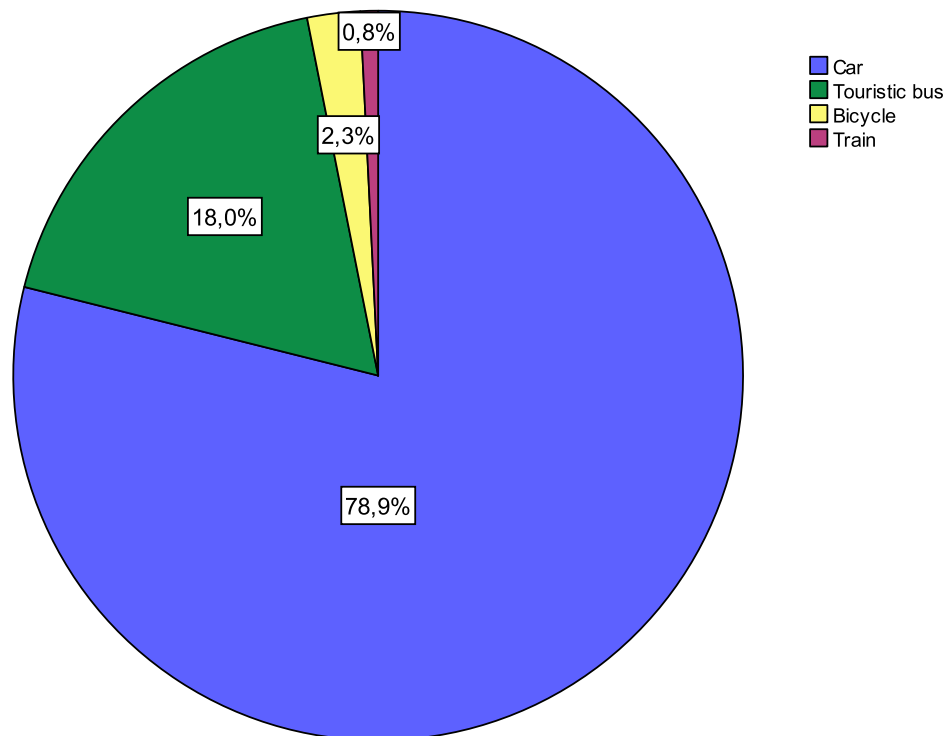


Figure 8.12 Mode of transportation

More than three quarters of the respondents use car as the mode of transportation when they travel to Imatra. Touristic bus is the next popular means of travelling, followed by insignificant share of bicycle riders and train passengers. The low use of train is caused by the inconvenience of using it to travel from Russia to Imatra; and bicycles should be more popular in summer when the weather is warmer.

8.5 Frequency of Visits to Imatra

Another important parameter which helps to divide tourist into different segments is the frequency of visits to Imatra. The distribution of answers to this question is shown in Figure 8.13.

How often the respondent visits Imatra

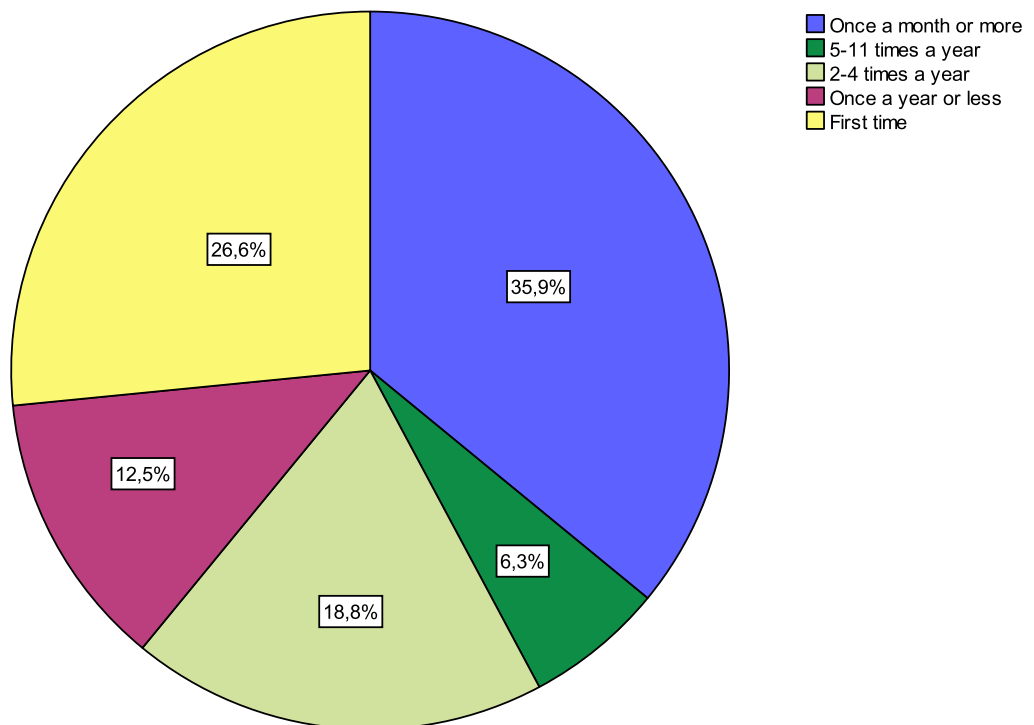


Figure 8.13 Frequency of visiting Imatra

It is very remarkable that the two most popular answers are diametrically opposite: 35.9% of the respondents are regular visitors of Imatra, while 26.6% came there for the first time. Three different important tourist segments can be distinguished: frequent regular visitors, those coming for a vacation every now and then, and newcomers. It is worthwhile to note that how often the tourist visits Imatra turned out to be dependent from his or her place of residence with a statistical significance of 0.009. Among those who came from Saint Petersburg, the number of newcomers; those who visit Imatra once a month or more often; and those who visit Imatra less than once a month was equal. Two thirds of Vyborg residents visited Imatra once a month or more often, while the rest came less frequently but still had already been there before. All the Svetogorsk residents interviewed admitted visiting Imatra every month.

8.6 Further Plans for the Day

Question 14 of the survey had to do with the plans the tourists have for the day. The answers can be seen in Figure 8.14.

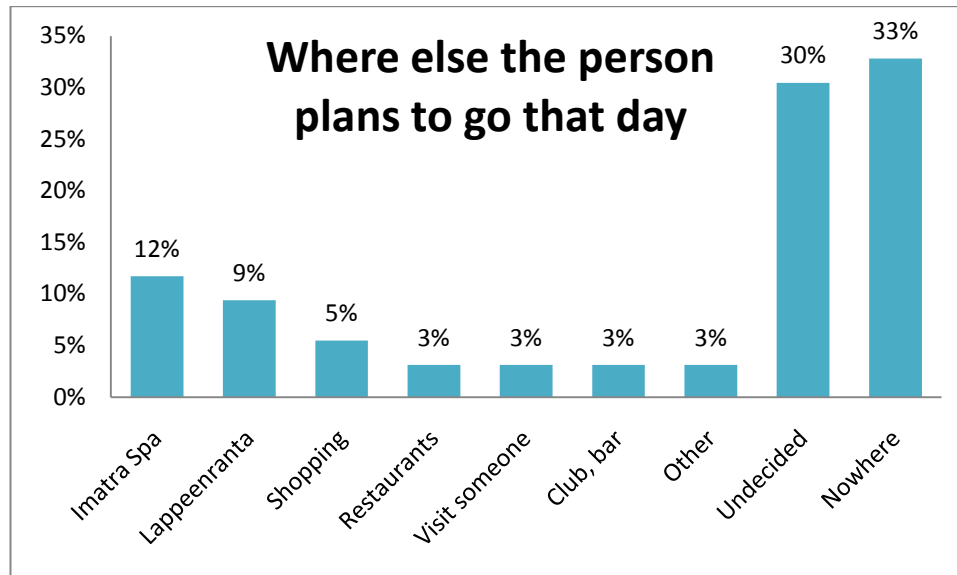


Figure 8.14 Further plans for the day

This question was an open one, therefore some of the respondents named more than one destination, and the percentages do not add up to 100% in Figure 8.14. The most popular answers, accounting for approximately one third of the total number each, were 'nowhere' and 'not sure'. The ones that were planning to go straight home are not likely to spend any more in Imatra, while those who do not know yet are open to the opportunities, but there is no way to predict their behaviour. From the ones who knew where to go next, most were inclined to visit either Imatra Spa or Lappeenranta. Continuing shopping was the next popular option; visiting someone, going to a restaurant, going to a club or a bar and all the rest of the suggestions together were equally appealing to the tourists.

8.7 Expenditure by Product Category

The following Figures 8.15 – 8.23 reveal the answers to the central question of the survey: how much money was spent by the respondents on different product categories that day.

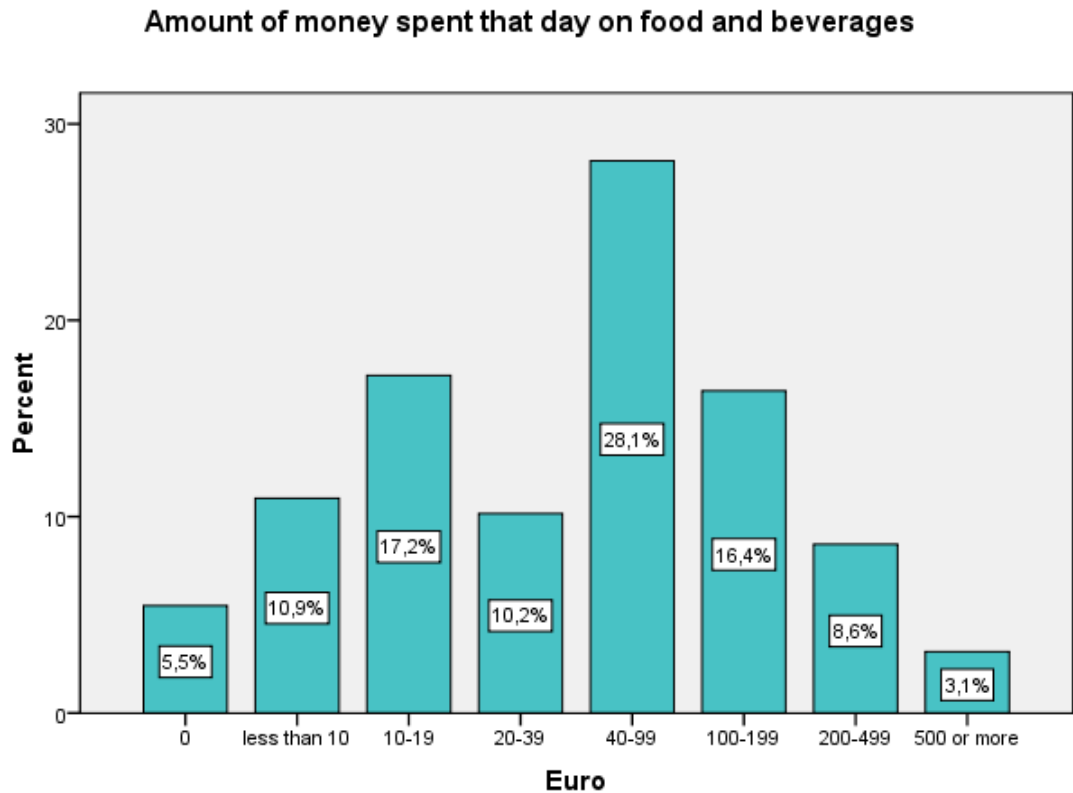


Figure 8.15 Expenditure on food and beverages

Figure 8.15 reflects that 94.5% of all the visitor parties spent at least some money buying food and beverages. The only irregularity of the distribution is the low level of respondents who spent €20-39 in comparison to those who spent €40-99. This can be explained by the fact that tax free on products can be obtained if the bill accounts for at least €40; furthermore, many Russians believe that food products are counted separately from non-foods, so it is more beneficial for tourists to buy more and get the discount.

The food and beverages expenditure appears to be dependent on income (statistical significance 0.000), place of residence (0.023), purpose of the trip (0.002 if shopping was mentioned as a purpose and 0.029 if vacation was one purpose), and expenditure in restaurants and cafes (0.001). The more the income, the more was the consumption expenditure on food; residents of cities or areas other than Saint Petersburg tended to spend less than €40 on food products, while among Saint Petersburg residents approximately one third spent less than €40, one third spent €100 or more, and the remaining one third spent between

€40 and €99. Interestingly, those who came for shopping spent much less on food and beverages than those who did not mention shopping as a motive for coming to Imatra. Those who came for a vacation spent more on food products than those who did not. Those who expended more on food usually expended more in cafes and restaurants. However, those who had not bought any food used the services of a café or a restaurant, and vice versa. There was no one neither eating out nor buying food in a shop simultaneously. Furthermore, a significant amount of those who bought food for €40-99 did not go to a restaurant at all, probably because they were busy shopping and did not want to waste time eating out, or they simply decided to eat what they had bought from the shop.

Amount of money spent that day in cafes and restaurants

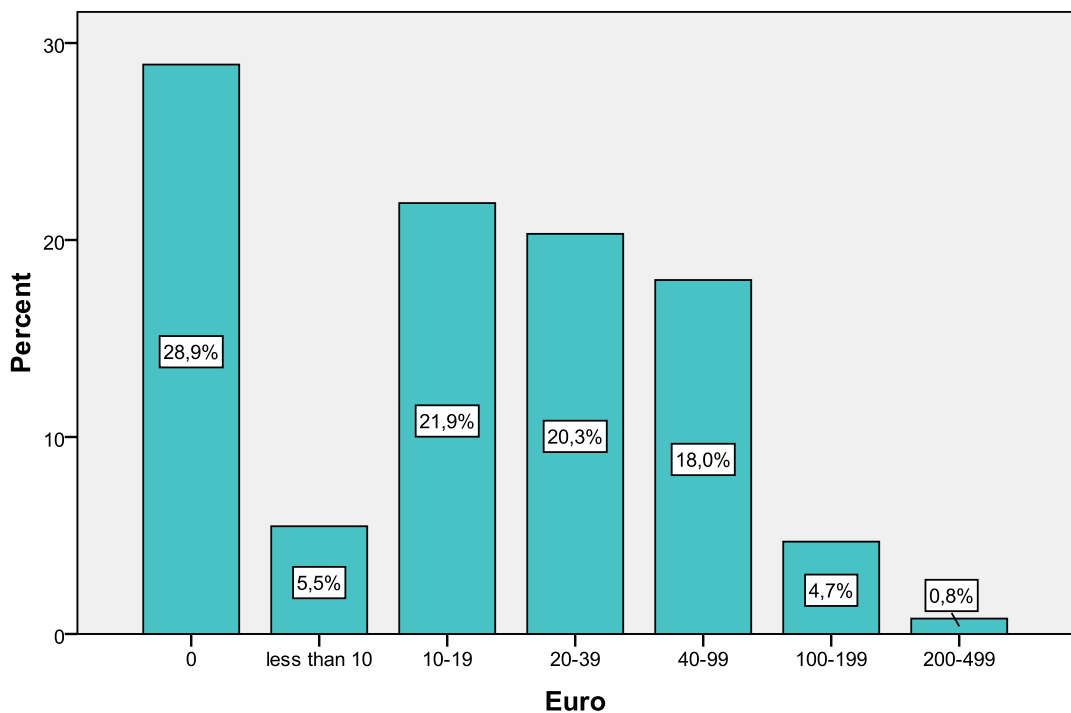


Figure 8.16 Expenditure in restaurants and cafes

Figure 8.16 above shows that 28.9% of all the respondents did not go to cafes and restaurants, while 60.2% spent €10-100 there. It implies that there is a substantial demand for public catering services of different price levels.

Restaurant consumption turned out to be linked to income (statistical significance 0.002), length of stay (0.005), and whether or not vacation was the purpose of the trip (0.017). When it comes to income, an almost equal amount of those with the highest income (more than €750 per person a month) spend less than €10; €10-39; and €40 or more. Those getting €375-750 per person a month tend to spend either less than €10 or €10-39 with the same frequency. However, those earning less than €375 perceive the trip to Imatra as a real journey and try to spend €10-39 in cafes or restaurants. Those staying for two days spend in restaurants more than those on a one-day trip (yet the mode in both cases is €10-39), but those staying three days or longer have two different models of behaviour: 50% of them spend a lot (more than €40) in cafes and restaurants, while 36.4% spend less than €10 (probably they try to save, stay at someone's place or eat pre-paid meals in their hotel). Finally, the spending of tourists coming for a vacation on cafes and restaurants are distributed smoothly between the three categories of less than €10; €10-39; and €40 or more, while 58.7% of those not coming for a vacation are eating out to the amount of €10-39.

Amount of money spent that day on goods for children

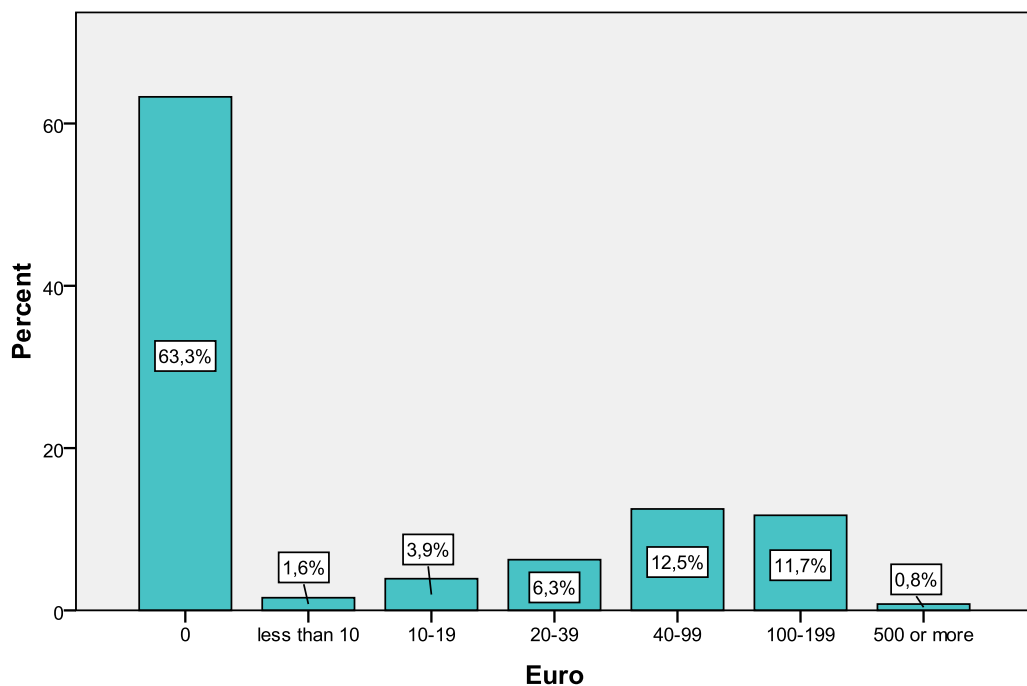


Figure 8.17 Expenditure on goods for children

As can be seen from Figure 8.17, 63.3% of respondents did not buy anything for children that day, while, as stated earlier, 68% of tourists were not accompanied by children under 18. The numbers are rather low, but that might be among other reasons due to the fact that those who go to Finland to buy goods for children would head for specialized shops and prefer Lappeenranta to Imatra.

The expenditure on items for children proved to depend on whether or not children under 18 years accompanied the party with statistical significance of 0.001. Only 14.9% of those not accompanied by children spent more than €40 on children goods, while the same figure among those accompanied by children under 18 accounted for 46.3%. In fact, one quarter (24.4%) of tourists coming with children spent more than €100 on goods for children.

Amount of money spent that day on clothing, footwear and accessories

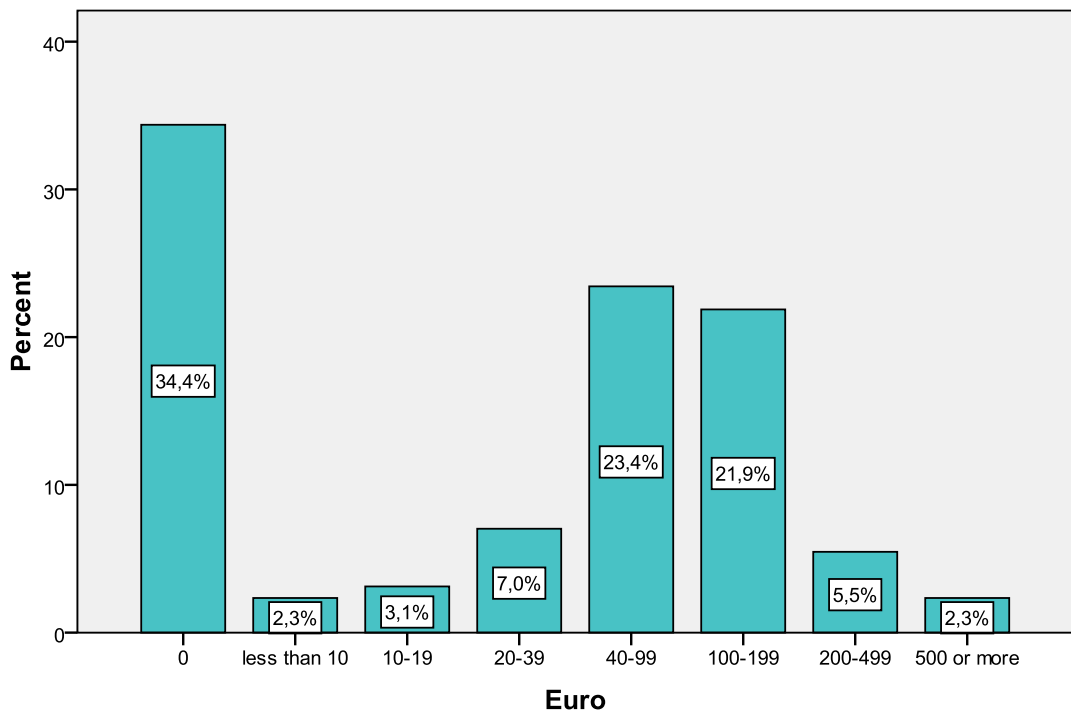


Figure 8.18 Expenditure on clothing, footwear and accessories

Another important purchase turned out to be clothing, footwear and accessories. Figure 8.18 reveals that only 34.4% of travellers do not buy any products of

this category, while those who do usually spend quite much. Again, a bill of minimum €40 is needed to get tax free, so €40-99 is the most frequent purchase cost.

Expenditure on clothing, footwear and accessories is influenced by income (statistical significance 0.008) and whether or not shopping was the purpose of the trip (0.015). First of all, 54.2% of those with income of more than €750 per person per month spent less than €40 on the product category in question. This might be explained by the fact that they usually shop in different, more expensive shops. But still a purchase of €100 or more is more popular among the highest-earning visitors than a purchase of €40-99. Out of those who earn €375-750 per month, only 20% spent €100 or more while this share reached 32.3% among the lowest-earning tourists. That may indicate that the clothing shops in Imatra are standing high among those who earn less. As for shopping being the purpose of the trip, those who admit that, spend more on clothing, footwear and accessories than those who deny that.

Amount of money spent that day on cosmetics and personal care

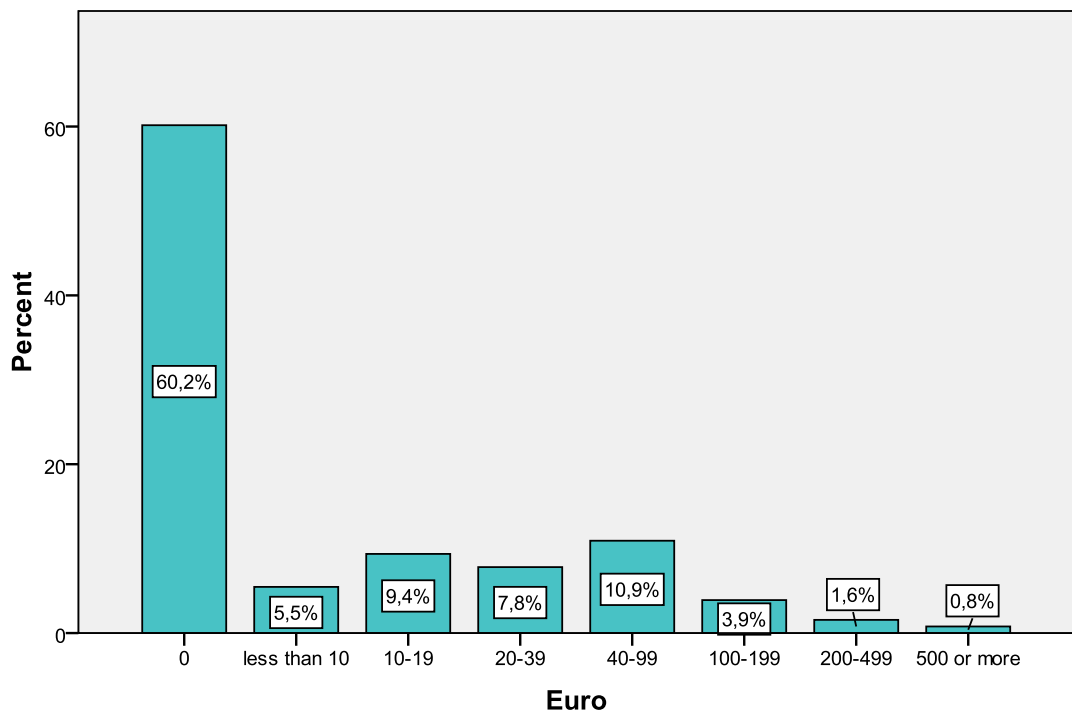


Figure 8.19 Expenditure on cosmetics and personal care

Figure 8.19 shows that the demand for cosmetics and personal care products is not very high; 60.2% of Imatra visitors did not buy cosmetics at all, while about one third of travellers spent less than €100. Again, as with many products, €40-99 is a popular bill amount, while €20-39 stands out from the distribution.

The expenditure on cosmetics and personal care proved to be dependent on the age of the respondent rather than on anything else (statistical significance 0.041). The older the person, the higher was the expenditure.

Expenditure on house furniture and expenditure on house appliances and electronics both were negligible. 96.9% of respondents in case of furniture and 94.5% in case of appliances and electronics have not bought anything from this category.

Amount of money spent that day on household chemicals and items for household maintenance

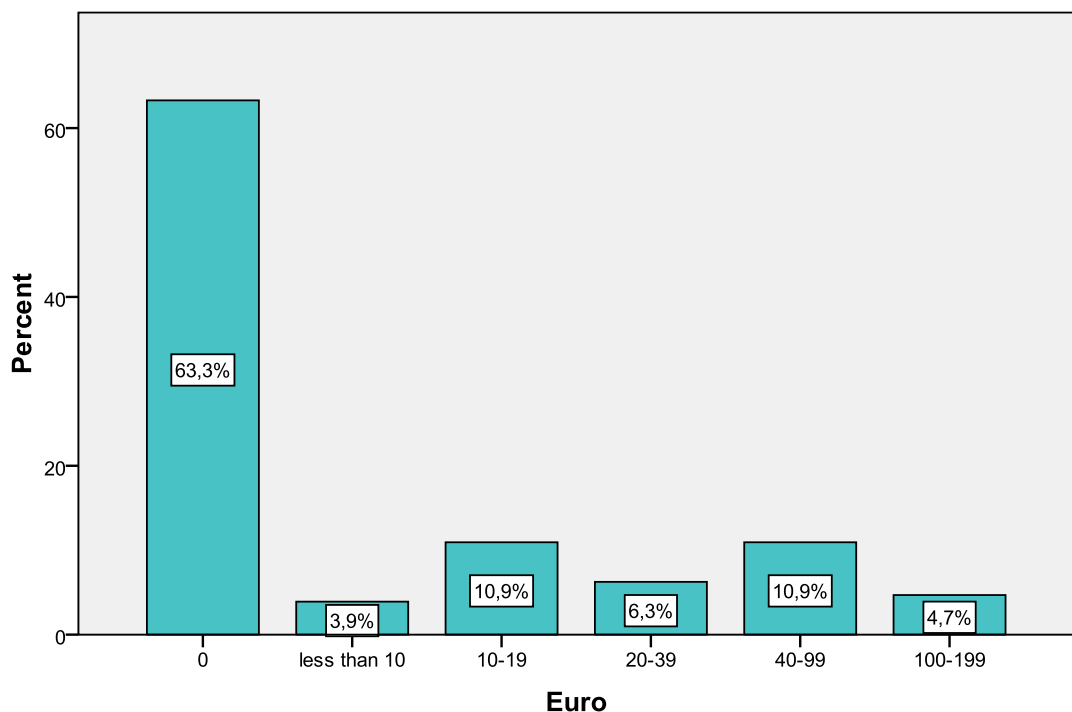


Figure 8.20 Expenditure on household chemicals and items for household maintenance

The foregoing Figure 8.20 illustrates that 36.7% of Russian tourists (about the same rate as with cosmetics) buy some chemicals or items for household maintenance from Imatra. The chemicals are perceived to be authentic, of a better quality than in Russia. Once again, €20-39 category proved to be less popular than the adjacent ones.

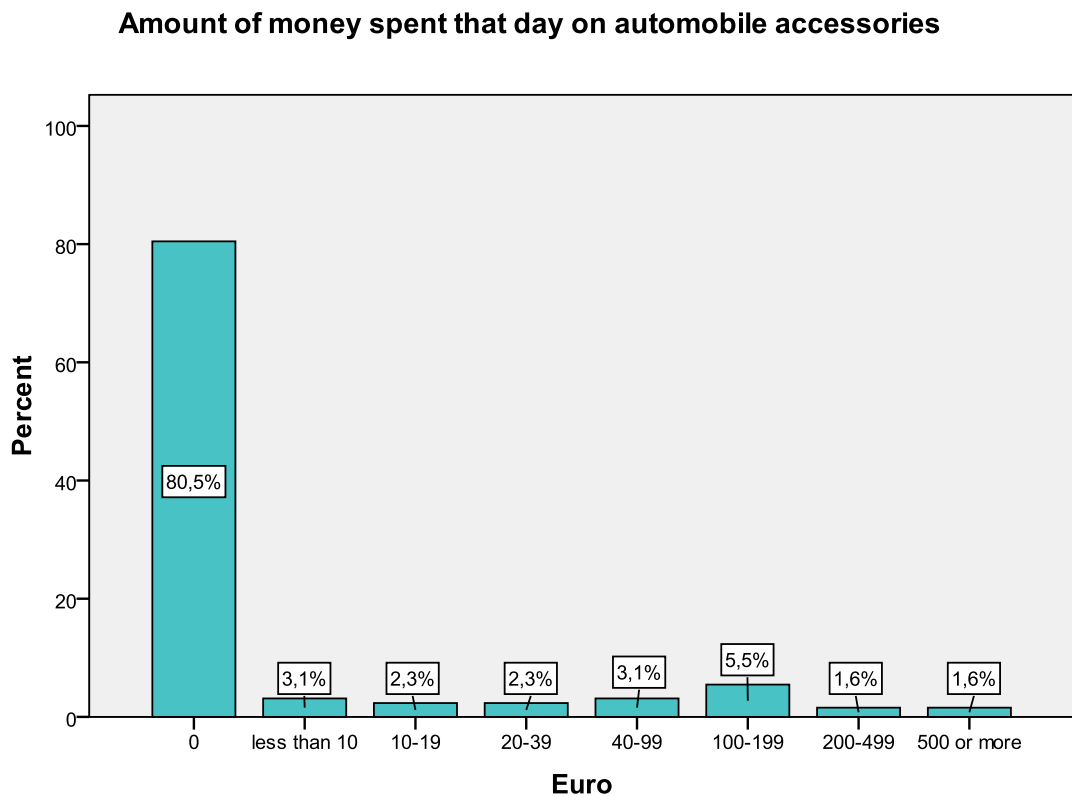


Figure 8.21 Expenditure on automobile accessories

Figure 8.21 reflects that the absolute majority of the respondents did not purchase any automobile accessories, while among the others the distribution of expenditure is rather smooth. That does not allow revealing much about the automobile accessories market, but then again neither of the surveying sites was a specialized point selling automobile accessories.

The automobile expenditure logically enough revealed to depend upon the mode of transportation of the respondent with a statistical significance of 0.039. In fact, no one travelling by any other mode of transportation but car bought any automobile accessories.

Amount of money spent that day on activities

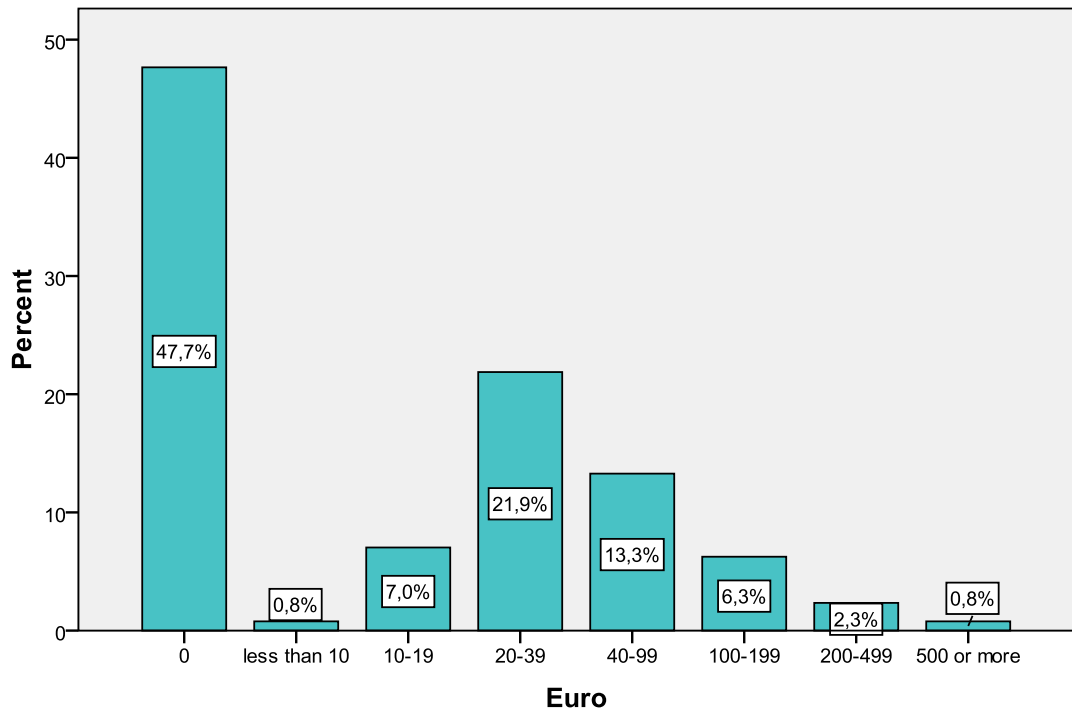


Figure 8.22 Expenditure on activities

As can be seen from Figure 8.22, approximately half of the respondents did not expend on any activities, while among those who did the mode was €20-39. 22.7% of visitors spent more than €40.

The activities expenditure proved to be influenced by income (statistical significance 0.000), age of the respondent (0.005), whether or not the purpose of travelling to Imatra was having a vacation (0.000), and party size (0.017). The more the income, the bigger was the expenditure on activities; the respondents aged 35 or older spent more on activities than the respondents under 35 years; those who came for a vacation spent more than those who did not. Finally, those travelling alone or in threes proved to spend less money on activities than those who travelled with one travelling companion or in larger groups.

Amount of money spent that day on transportation

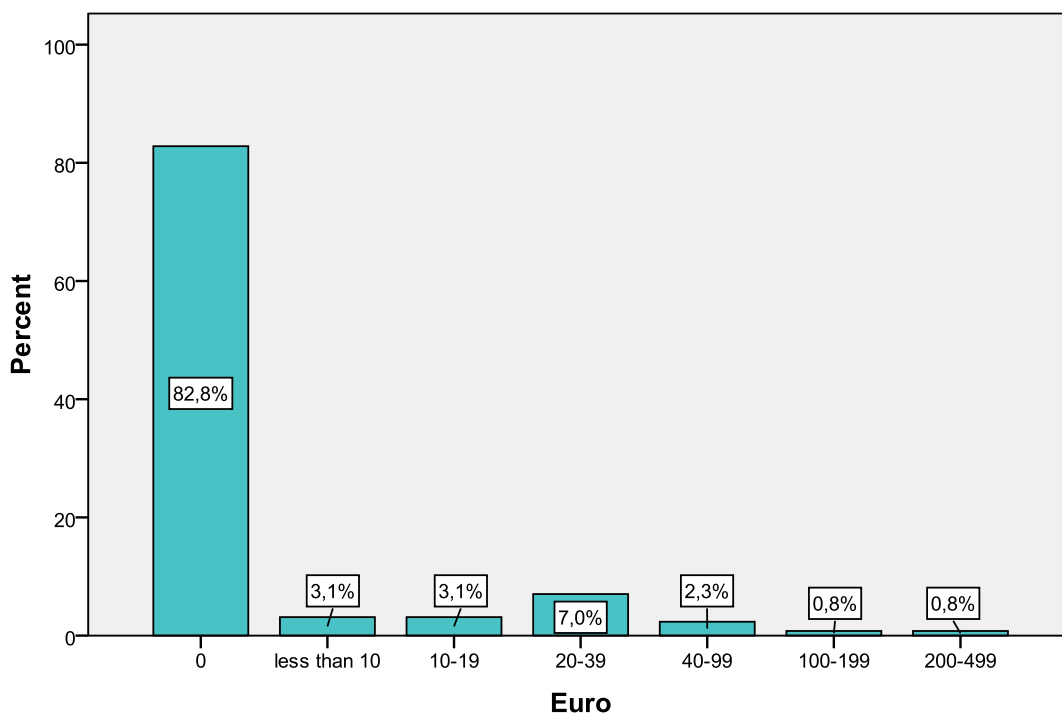


Figure 8.23 Expenditure on transportation

The majority of Russian tourists do not spend any money on transportation in Imatra. 92.1% of tourists travelling by car said that they did not spend anything on transportation, while 52.2% of those using touristic bus as the mode of transportation admitted spending €10-39. That is most probably explained by their paying for the touristic bus itself, as no one told that he or she spent less than €10 on transportation, which would be most probable if someone decided to take a bus. Therefore this data is not reliable as it does not refer solely to the expenditure in Imatra.

The classification used in the research turned out to be full and adequate. This is proved by 96.9% of respondents admitting €0 expenditure on other goods. The other 3.1% spent less than €40 on other goods not specifying which. Only one of the respondents clarified that other expenditure was on products for pets.

8.8 Total Expenditure

The foregoing information has been received by creating an auxiliary variable 'Estimated total expenditure'. The respondents have told which interval their spending on every of the twelve different product groups falls into. The intervals offered were: €0; less than €10; €10-19; €20-39; €40-99; €100-199; €200-499; €500 or more. As it is unknown how much exactly the respondents spent, to estimate it each of the intervals was assigned its average value, and '€500 or more' was assigned a value of €750. Then for every person those average values were added up to result in the new variable 'Estimated total expenditure'. This scale variable was later recoded into an ordinal one, 'Recoded estimated total expenditure', which had only four possible values: less than €100; €100-199; €200-499; €500 or more. Therefore the decoding of '€500 or more' into €750 has not had any effect on the results and the whole operation can be considered justified; the resultant classification could be used to find the dependencies between the total expenditure and other factors.

It is worthwhile, however, to try to obtain some statistics on the base of the scale variable. The median is €230.00, the mean reaches €385.51, and the estimated sum equals €49 345. But as the mentioned numbers have been obtained from groups of people travelling together rather than individuals, the sum is reasonable to share among the total amount of people in all the parties interviewed (372). The resultant average expenditure is €132.65 per Russian traveller per day. The numbers are not accurate, they are estimated, thus cannot be fully relied on and need to be corroborated during the following research. Furthermore, the expenditure is probably more than the mentioned approximation due to the fact that only 33% of the respondents were certain that they will go straight home/to the hotel after they have answered the questions, and 37% did have certain plans for how to continue the day. The rest were unsure, so there is a chance that some of them and most of those with definite plans expended more in Imatra later on that day.

The total estimated consumption expenditure of the respondents showed correspondence with gender (statistical significance 0.030), income (0.000), education (0.018), length of stay (0.004), number of children (0.022), the purpose of the trip (0.028 for shopping and 0.008 for vacation), and the frequency with which the respondent visits Imatra (0.018).

Men generally spent more money than women: the mode among men is €200-499, while among women it is €100-199. As for the income, the distribution is so clear that the table is worth being included into the thesis. Table 8.1 below illustrates how income and total expenditure are related.

Table 8.1 Relation between income and total daily expenditure per household/company

Estimated total expenditure * Income Cross-tabulation

			Recoded income			Total
			Less than 375 Euro	375-750 Euro	More than 750 Euro	
Recoded estimated total expenditure	Less than 100	Count % within Recoded income	10 32,3%	6 17,1%	4 6,8%	20 16,0%
	100-199	Count % within Recoded income	13 41,9%	10 28,6%	13 22,0%	36 28,8%
	200-499	Count % within Recoded income	8 25,8%	13 37,1%	19 32,2%	40 32,0%
	500 or more	Count % within Recoded income	0 ,0%	6 17,1%	23 39,0%	29 23,2%
Total		Count % within Recoded income	31 100,0%	35 100,0%	59 100,0%	125 100,0%

Table 8.1 illustrates that those who earn more than €750 per person per month tend to spend €500 or more; those who earn between €375-750 spend €200-499; and those who earn less spend €100-199.

The respondents with higher education as a rule spend more than those without; the longer a respondent stays in Imatra, the more he or she spends (with the only exception of some number of tourists staying 3 days or longer, who spent less than €100 – they had probably already bought everything they wanted in the previous days or had a pre-paid or free of charge place to stay).

The respondents accompanied by at least one child under 18 spent more than other respondents. The mode for respondents with children was €500 or more, while the mode for the respondents without children totalled €200-499.

Remarkable is the fact that the respondents who came to Imatra for shopping actually spent less than those who did not mention shopping as a motive for travelling there. That can be due to the way the respondents understand the word 'shopping': in most instances, that means 'looking for new clothes'. On the other hand, those who came for a vacation spent more than those who did not, not in the last resort due to their higher expenditure on food and activities. Another interesting point is that the more often the tourist comes to Imatra the more he spends there, and it is especially appreciable in the case of the visitors who come to Imatra once a month or more often: 37% of them spent €500 or more, while among the remaining categories only 12.2% spent that much.

9 CONCLUSIONS

The research work has shown that the products and services the most Russian tourists consume in Imatra are food and beverages (94.5% of respondents bought something belonging to this category); cafes and restaurants (71.1%); clothing, footwear and accessories (65.6%); and activities (52.3%). That goes hand in hand with the statistics of Russian everyday consumption saying that Russians spend most of their money on foodstuffs; clothing and footwear; transportation; housing and fuel. The latter two categories are not relevant for the case of travelling to Imatra as transportation and fuel are usually paid for in Russia; on the other hand, activities, cafes and restaurants no doubt become

more popular during the vacation time. There is also a fair demand for cosmetics and personal care products (39.8%), goods for children (36.7%), and household chemicals and items for household maintenance (36.7%).

However, the consumption patterns of Russian tourists in Imatra differ from those in other destinations. Usually a Russian person travelling abroad spends most money in hotels (not included in the current research), clothing shops (20% of the total expenditure of Russian tourists abroad), restaurants (5%) and supermarkets (2%). In Imatra, foodstuffs are the most popular purchase, so the share of supermarkets in this case is much higher. Out of all the purchases in the studied case, 23% was clothes, 8.3% restaurant expenditure, and 27% foodstuffs. It is the proximity to Russia that makes the purchase of foodstuffs reasonable and thus the consumption patterns of Russian tourists in Imatra resemble those at home.

The distribution of tourist expenditure on different product categories can be found earlier in the chapter named 'Results'. In short, the modes of spending (disregarding €0) for the above mentioned product categories are €10-19 for cafes and restaurants (21.9%); €20-39 for activities (21.9%); €40-99 for food and beverages (28.1%), clothing, footwear and accessories (23.4%), goods for children (12.5%) and cosmetics (10.9%). Finally, household chemicals and items for household maintenance have two modes simultaneously: €10-19 and €40-99 (both chosen by 10.9% of respondents). Furniture and household appliances and electronics did not enjoy much popularity and that conforms to the fact that the purchase of furniture and large household appliances is one of the first things to be postponed in crisis times.

The estimated total expenditure is rather high: €132.65 per tourist per day, but it gets very close to the numbers mentioned in the Finnish border survey (MEK 2009b): €131 per tourist per day among Russian leisure travellers not planning to visit friends and relatives. The sample of the current research contained a low number of tourists coming for a purpose other than shopping or vacation, so the results are comparable and they seem very similar.

The expenditure of Russian tourists in Imatra proved to be dependent on all the variables mentioned in the theoretical part but social class. That is not an unexpected result because the problem of defining the middle class is daunting in Russia, and sociologists cannot agree on the categorization that should be used to stratify Russian society. Thus a variable so uncertain itself was not likely to reveal clear relationships with other variables. However, it displayed a perfect compliance with income which is rather interesting. The distribution of the respondents on different categories showed an extremely high level of A and B social groups: 42% and 20% respectively against the average 10% and 8% throughout Russia.

But instead of social class, one of the components used in the current research to determine it, education, showed itself to influence the total expenditure of Russian tourists.

Income was found to be the most important determinant of consumption. The dependences were numerous, including such with the total; food and beverages; café and restaurant; clothing, footwear and accessories; and activities expenditure. Those coming to Imatra had a higher income than the average in Russia: while 17.6% of respondents claimed to earn more than €1750 per person per month, the statistics in Березин (2006) show that only 1% of Russian population earned that much in 2006; and while the mode of this measure among the Russian society as a whole is €93.75-225, among the Russian visitors of Imatra it is €750-1750. Travelling is the prerogative of richer people, after all.

The length of stay of the tourists affected the total expenditure along with the restaurant expenditure. The respondents of the survey stayed longer than an average Russian tourist coming to Finland. The official MEK statistics (2009b) reports 67% of Russian tourists on one-day trips and 1.4 night long stay among the remaining Russian tourists. During the current research, however, only 51% of interviewees were not staying overnight, and 1.6 was the average length of an overnight stay. That may be caused by asking a substantial number of respondents in Imatra Spa, more than half of which were staying overnight.

As for the gender of the respondent, men were spending considerably more than women. The research described in the theoretical part of this paper suggests the same: of the total expenditure abroad by an equal amount of men and women, 70% was met by men. In the current research the difference was not so dramatic, but still the average expenditure by men was 22% more than this of women (€430.93 against €352.54). Therefore gender was concluded to have an influence on the total expenditure.

The age turned out to affect not the total expenditure but the amount of money spent on cosmetics and personal care products, and activities. A research on the Russian expenditure abroad stated that two thirds of the total expenditure abroad is made by those aged 35 or older. The current research confirms those findings: 64% of the estimated total expenditure was done by the respondents belonging to the mentioned age group.

Other factors also had an effect on some kind of expenditure: party size affected the expenditure on activities; the number of children in the party influenced both the total expenditure and expenditure on goods for children; place of residence determined the expenditure on foodstuffs; the frequency of visiting Imatra had an effect on the total expenditure; and the mode of transportation was impacting the expenditure on automobile accessories.

The purpose of travel was something that affected a lot of types of consumption and contributed to understanding the behaviour of Russian tourists. Both vacation and shopping as the purpose of the trip extended an influence on the total expenditure of the tourists. Those coming for shopping spent more on clothes and less on food. Those coming for a vacation spent more on food, restaurants and activities. In total, those coming for a vacation spend more than those coming for other reasons; the conclusion is also supported by the theoretical part telling that vacation is the time to enjoy oneself and spend more.

10 EVALUATION

The objective of the research was to find out what the money consumption patterns of Russian tourists coming to Imatra are. Three research questions were designed to cover the objective. All the three questions (which categories of products and services are most popular among Russian tourists coming to Imatra; how much money do Russian tourists spend on every category; and what are the factors influencing the consumption of Russian tourists in Imatra?) were answered in the course of the thesis work and summarized in the chapter 'Results'. The results are current and would help the local municipalities and businesses in understanding the Russian customers, decision making and designing new touristic products.

Most of the results obtained are reliable with the exception of the data considering transportation expenditure; and the estimated total expenditure has a rather high relative error, so it has to be studied more accurately in future research. The results as a whole are informative and applicable.

The sample of the tourists interviewed encountered 128 individuals, most of whom were travelling in groups, so as the result the research covered 372 Imatra visitors; that increases the reliability of the research. The findings can be generalized for Russian tourists coming to Imatra on a leisure trip (but not for visiting friends and relatives). If the results are to be extended on all the Russian visitors coming to Imatra, a separate study on those visiting friends and relatives (and probably ones on a business trip if the number of such tourists becomes significant) is necessary. The results obtained are more suited to be applied to making decisions on leisure travellers than for statistical purposes.

The process of the thesis went really smoothly; the questionnaire form designed was very well suited for the research. The only question that is necessary to be added for the coming research is the one about the precise total expenditure: the respondents are most likely to remember this figure, and even if not, they would estimate it more accurately than the way used in the current research

was able to. One more note: in the question about transportation it should be emphasized once again that only the expenditure on the Finnish territory does for the research.

One suggestion for future research could be to make it on the border - as the current research could not be extended to cover all the Russians coming to Imatra (but it still covered most). But then a problem would arise: a systematic error linked to the fact that they all are already leaving, so the expenditure studied would be for the last day of their stay and, once again, it would not be possible to generalize the findings. So it may be better to still make the research the way it was done but to ensure that the sample is representative in terms of the purpose and the length of the trip. If those conditions are satisfied, the findings of the research would be possible to generalize completely.

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CLASSIFICATION OF INDIVIDUAL CONSUMPTION ACCORDING TO PURPOSE

- 01-12 - Individual consumption expenditure of households
- 01 - Food and non-alcoholic beverages
 - 01.1 - Food
 - 01.2 - Non-alcoholic beverages
- 02 - Alcoholic beverages, tobacco and narcotics
 - 02.1 - Alcoholic beverages
 - 02.2 - Tobacco
 - 02.3 - Narcotics
- 03 - Clothing and footwear
 - 03.1 - Clothing
 - 03.2 - Footwear
- 04 - Housing, water, electricity, gas and other fuels
 - 04.1 - Actual rentals for housing
 - 04.2 - Imputed rentals for housing
 - 04.3 - Maintenance and repair of the dwelling
 - 04.4 - Water supply and miscellaneous services relating to the dwelling
 - 04.5 - Electricity, gas and other fuels
- 05 - Furnishings, household equipment and routine household maintenance
 - 05.1 - Furniture and furnishings, carpets and other floor coverings
 - 05.2 - Household textiles
 - 05.3 - Household appliances
 - 05.4 - Glassware, tableware and household utensils
 - 05.5 - Tools and equipment for house and garden
 - 05.6 - Goods and services for routine household maintenance
- 06 - Health
 - 06.1 - Medical products, appliances and equipment
 - 06.2 - Outpatient services
 - 06.3 - Hospital services
- 07 - Transport
 - 07.1 - Purchase of vehicles
 - 07.2 - Operation of personal transport equipment
 - 07.3 - Transport services
- 08 - Communication
 - 08.1 - Postal services
 - 08.2 - Telephone and telefax equipment
 - 08.3 - Telephone and telefax services
- 09 - Recreation and culture
 - 09.1 - Audio-visual, photographic and information processing equipment
 - 09.2 - Other major durables for recreation and culture
 - 09.3 - Other recreational items and equipment, gardens and pets
 - 09.4 - Recreational and cultural services
 - 09.5 - Newspapers, books and stationery
 - 09.6 - Package holidays
- 10 - Education

- 10.1 - Pre-primary and primary education
- 10.2 - Secondary education
- 10.3 - Post-secondary non-tertiary education
- 10.4 - Tertiary education
- 10.5 - Education not definable by level
- 11 - Restaurants and hotels
 - 11.1 - Catering services
 - 11.2 - Accommodation services
- 12 - Miscellaneous goods and services
 - 12.1 - Personal care
 - 12.2 - Prostitution
 - 12.3 - Personal effects n.e.c.
 - 12.4 - Social protection
 - 12.5 - Insurance
 - 12.6 - Financial services n.e.c.
 - 12.7 - Other services n.e.c.
- 13 - Individual consumption expenditure of non-profit institutions serving households (NPISHs)
 - 13.1 - Housing
 - 13.2 - Health
 - 13.3 - Recreation and culture
 - 13.4 - Education
 - 13.5 - Social protection
 - 13.6 - Other services
- 14 - Individual consumption expenditure of general government
 - 14.1 - Housing
 - 14.2 - Health
 - 14.3 - Recreation and culture
 - 14.4 - Education
 - 14.5 - Social protection

(The United Nations Statistic Division)

QUESTIONNAIRE FORM IN ENGLISH

1) Place where the person has been surveyed _____

2) Occupation _____ and _____

Director, top, general or middle management with responsibility for 11 employees or more (A)

Director, top, general or middle management with responsibility for 10 employees or less (B)

Professional (computer and mathematical occupations; architects; engineers; scientists; social workers; legal occupations; education, art and design occupations; entertainers; media-related occupations; health-related occupations) (A)

Business proprietor, owner (full/partner) of company or owner of a shop, craftsman, other self-employed person with responsibility for 11 employees or more (B)

Business proprietor, owner (full/partner) of company or owner of a shop, craftsman, other self-employed person with responsibility for 10 employees or less (C)

Employed non-manual position, working mainly at a desk, travelling or in a service job (C)

Supervisor and skilled manual worker (C)

Other (unskilled) manual worker, servant (D)

Farmer and fisherman (D)

Currently or permanently not employed (D)

3) Education

Higher education

Unfinished higher or specialized secondary education

General secondary education

Unfinished secondary education

4) **Gender** Male Female

5) **Age** younger than 18 18-24
 25-34 35-44
 45-54 55-64
 older than 64

6) **Place of residence** Saint-Petersburg Moscow
 Vyborg Svetogorsk
 Other areas of Karelia
 Somewhere else, where?

7) **Who accompanies you?** No one
 Spouse or boyfriend/girlfriend
 Child(ren)
 Parent(s)
 Friend(s)
 Someone else, who?

8) **Party size** _____ person(s)

9) **Number of children in the party** _____ child(ren)

10) **Length of stay in Finland** _____ day(s)

11) **Purpose of travelling to Imatra** Shopping (for _____)
 Vacation
 Visa issues
 Transfer
 Other, what?

- 12) **Mode of transportation** Own car Touristic bus
 Other, what?
-

- 13) **How often do you visit Imatra?** First time Once a year or less
 2-4 times a year 5-10 times a year
 Once a month or more

- 14) **Where else are you planning to go today?**
-

- 15) **How much euro did you spend today (on the Finnish territory, excluding purchases in Duty Free on the border and accommodation) on the following:**

a. Food and beverages

- € 0 € 10 € 10-19 € 20-39
 € 40-99 € 100-199 € 200-499 ≥ € 500

b. Restaurants, cafes

- € 0 € 10 € 10-19 € 20-39
 € 40-99 € 100-199 € 200-499 ≥ € 500

c. Goods (including clothing and footwear) for children

- € 0 € 10 € 10-19 € 20-39
 € 40-99 € 100-199 € 200-499 ≥ € 500

d. Clothing, footwear and accessories

- € 0 € 10 € 10-19 € 20-39
 € 40-99 € 100-199 € 200-499 ≥ € 500

e. Cosmetics and personal care

- € 0 € 10 € 10-19 € 20-39
 € 40-99 € 100-199 € 200-499 ≥ € 500

f. House furniture

- € 0 € 10 € 10-19 € 20-39
 € 40-99 € 100-199 € 200-499 ≥ € 500

g. House appliances and electronics

€ 0 € 10 € 10-19 € 20-39
 € 40-99 € 100-199 € 200-499 ≥ € 500

h. Household chemicals and small items for household maintenance

€ 0 € 10 € 10-19 € 20-39
 € 40-99 € 100-199 € 200-499 ≥ € 500

i. Automobile accessories

€ 0 € 10 € 10-19 € 20-39
 € 40-99 € 100-199 € 200-499 ≥ € 500

j. Activities (Visiting the Spa, museums etc)

€ 0 € 10 € 10-19 € 20-39
 € 40-99 € 100-199 € 200-499 ≥ € 500

k. Transportation

€ 0 € 10 € 10-19 € 20-39
 € 40-99 € 100-199 € 200-499 ≥ € 500

l. Other expenses, which? _____

€ 0 € 10 € 10-19 € 20-39
 € 40-99 € 100-199 € 200-499 ≥ € 500

16) Income per person per month (in rubles)

< 3 750 rub. 3 750 – 9 000 rub. 9 000 – 15 000 rub.
 15 000 – 30 000 rub. 30 000 – 75 000 rub. >75 000 rub.