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Determination of the Degree of Attractiveness of the Resort-City of Sochi in Present-Day Conditions

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Abstract

In this article, based on a comprehensive questionnaire survey of visitors to the city of Sochi, the authors attempt to identify and analyze the major elements of the attractiveness of a specific resort region in its post-Olympic period of development, when there has been put together all relevant infrastructure for the effective development of the tourism industry and ancillary, industry servicing, spheres of entrepreneurial activity, with a view to putting together a strategy for sustainable development based on the localization of the region's competitive advantages. The analysis has helped to reveal the lack of a uniform marketing strategy that is consistent at different levels and tactics for the development of the tourism sector and resort business with a view to boosting the attractiveness of Sochi's competitive tourism services.

The authors' research has indirectly reflected the strengths and weaknesses of the resort-city of Sochi in terms of its attractiveness during the post-Olympic period from the viewpoint of the city's visitors, their attitude towards the quality, range, and cost of its tourism services, its infrastructure, which is founded on the technical, functional, and social components of quality, which affect the size of demand.

Keywords: resort-city of Sochi, destination, post-Olympic Sochi, tourism infrastructure, tourism flows, recreation, lodging facilities.

Introduction

The major strategic objectives for any resort area are improving the well-being and quality of life of the local population, ensuring sustainable, quality-oriented economic growth, and augmenting the area's competitive positions within Russia's hospitality industry, as well as on a global scale [7]. That said, we are witnessing a stiffening of competition between different regions for investment, tourism product sales markets, and qualified human resources [3].

Currently, in a climate of stiff competition between resort destinations along the Black Sea coast, which are close in terms of natural potential and tourism services they provide, the advantage is with those characterized by a positive image, which makes them more attractive in the minds of potential consumers shopping for a getaway. The social-economic effectiveness of a resort area is linked quite closely with marketing ideation, as well as the region's marketing policy. This governs the level of the area's marketing attractiveness, which is a foundational factor in the system of orienting investors and entrepreneurs looking to invest in the region's economy [5].

Today, Sochi is a large modern Russian resort with a federal status. The city is a unique ski, balneo-climatic, and tourism/excursion resort, as well as a business and sports center, and has been developing at a brisk pace.

Sochi is one of the major focus areas for the development of tourism in Russia. Most Russian and foreign analysts see it as one of the more actively developing tourism service markets: there has been an incremental increase of 13-14 % a year in the number of tourists to the area [10].

Methods

This study is based on specific methodological and theoretical research into issues related to managing destination attractiveness. As an information-empirical base for ensuring the credibility of their inferences the authors use factual data compiled on the basis of a questionnaire survey of visitors to the resort-city of Sochi conducted within the post-Olympic period.

Research results

The development of a system of beliefs concerned with the management of the tourism-recreation complex is based on the writing input of scholars and specialists engaged in exploring issues in regional economics, economic geography, as well as those working in various areas of management (ecological, investment, strategic, financial, social, etc.). Among such scholars are: M.A. Bokov, A.M. Bronshtein, A.M. Vetitnev, S.V. Voskoboynikov, A.P. Gradov, A.G. Gryaznova, L.I. Yevenko, I.V. Zorin, N.I. Kabushkin, V.A. Kvartalnoye, E.M. Korotkoye, Ye.A. Kotlyarov, Z.M. Makasheva, I.I. Pirozhnik, A.G. Porshnev, Z.P. Rumyantseva, N.A. Solomatin, E.A. Utkin, etc.

Issues in the development of regions specializing in recreation have been investigated by the following scholars: M.M. Amirkhanov, A.V. Gidbut, V.M. Grigoriyan, A.V. Zhivitsky, N.P. Krachilo, A.A. Tatarinov, P.P. Chuvatkin, and Ye.M. Shlikhter.

The development of tourism and sanitarium-resort business has been examined in works by A.Yu. Aleksandrova, A.A. Berestov, M.B. Birzhakov, A.T. Bykov, A.P. Durovich, L.V. Krivoruchko, V.I. Krivoruchko, V.S. Molchanova, Ye.P. Puzakova, T.P. Rozanova, G.M. Romanova, V.B. Saprunova, A.D. Chudnovski, etc. [23, 24].

In the meantime, the lack of sufficient insight into issues related to integrated and systemic management of the TRC and ensuring its effective development in the market and the existence of unresolved discussion-worthy issues in the area have determined the authors' choice of the topic, goal, objective, and content of this study.

Similar studies include the collective scientific research works "Organizing and Conducting an Integrated Study for the Resort-City of Sochi in the Area of Tourism", written by G.M. Romanova, N.S. Matyushchenko, A.M. Fetisova, and Ts.A. Grigoryan at Sochi State University in 2013, and "Providing Methodological Support for and Conducting Research into the Area of Tourism" by G.M. Romanova, N.S. Matyushchenko, S.M. Romanov, G.D. Nubaryan, and Sh.D. Sovmen, which aim to explore the attitude of Sochi's tourists towards the comfort of vacationing in the city-resort, their preferences in terms of what type of activity to engage in while vacationing, as well as analyze the major indicators of the state of development of tourism at resorts within Krasnodar Krai [12, 13, 15].

Amid the globalization of tourist business in Russia and around the world, there is an increase in the role of a resort area, which is not just a locality with unique natural resources and characteristics and advantages for conducting tourist business, compared with other areas, but an entity that uncovers the significance and attractiveness of producing, distributing, and consuming establishments, their potential and needs for domestic and international tourism entrepreneurs [14].

The effectiveness of promoting this potential to the tourism market and pushing forward business communication processes is, in large measure, determined by market entities using the philosophy and tools of marketing. This raises requirements for assessing the competitive advantages of territorial formations, which act as an entity in the investment market and the goods and services market and are attractive in terms of organizing and conducting entrepreneurial activity and business in a specific region.

Sochi is truly unique: it is not like any other maritime resort around the world. This shows up in many aspects, from the history, so unusual for a major resort, of the development of the USSR's principal recreation center, which was virtually closed for foreign tourists, to its natural and tourism resources. Indeed, probably no other resort is capable of combining in itself all types of territorial recreation systems. Sochi does. It can be positioned as a recreation-curative (due to its highly rich hydro-mineral base and famous curative Matsesta waters), a recreation-fitness (due to its mild subtropical climate, clean air, and beaches), a recreation-educational (due to its ancient stations and exotic nature), and, thanks to the 2014 Olympics, a recreation-sports resort.

Sochi's resort season lasts for 5 months – June through October. The ski season in Krasnaya Polyana is 6 months long – December through May; it is the busiest during the period from January to April. The average annual room occupancy rate in the Sochi market of lodging facilities is

36–42 %; during July’s second decade the average occupancy rate is 95–97 %; in August it is 86–92 %; in September it is 72–79 %. During certain weeks in the summer months, as well as during the Christmas, New Year’s, and May holidays, the occupancy rate reaches 100 %.The active development of the resort is impossible without a well-oiled hotel infrastructure, for revenue from tourism accounts for 80 % of the city’s budget [10].

The development of the Krasnaya Polyana ski resorts has cleared the seasonal differences in Sochi tourism, which from, an economics standpoint, used to tangibly limit the sector’s contribution to the city’s economy. In winter time, a substantial portion of the facilities would be engaged only partially, while the seasonal closing of recreational centers and vacation hotels would increase the hidden unemployment rate among the local population. One of the overriding objectives in the Olympic project was to change the situation fundamentally.

In addition to climatic factors facilitating the development of tourism activity, the city is distinguished by a set of natural sights used actively in excursion activity. Such objects include the Orekhovsky, Agursky, Zmeykovsky, and Samshitovy falls, the Narzan spring, the Matsesta waters, and Mount Akhun. All these and many other sites are unique and highly attractive natural monuments. Besides, tours of these places are of an educational nature, with a lot of interesting information not only about the natural characteristics of these picturesque places but their cultural/daily life and ethnographic history.

Sochi’s crucial natural resources include its valuable hydro-mineralogical base. Currently, there are 6 mineral water and curative mud deposits in use in the city. In all, the city has explored over 200 hydro-mineral water sites with total reserves of 13,504 m³ per day.

Sochi’s well-developed city parks are a significant natural/anthropogenic resource. They vary by area, function, and time of origin. Parks occupy the maximum area in Khostinsky District, although, if you correlate the parks’ area with the district’s total area, Adler District has the maximum indicator.

During the period from August 1, 2014 to February 28, 2015, the authors conducted an integrated study into the degree of attractiveness of the resort-city of Sochi, which included a comparative analysis of its current competitiveness in the hospitality market. The study aimed to help come up with an effective marketing strategy for attracting visitors and smoothing over the seasonal fluctuations in inbound travel to the resort.

The study method: a comprehensive questionnaire survey.

The number of respondents: 500 individuals.

The study venue: lodging facilities within Sochi’s Central, Khostinsky, Adler, and Lazarevsky districts.

In the beginning, the authors identified the most attractive excursion sites with a view to assessing the degree of primary attractiveness and evaluating the “image”, or notions, of the resort formed in the minds of visitors based on their sensuous perception of the destination.

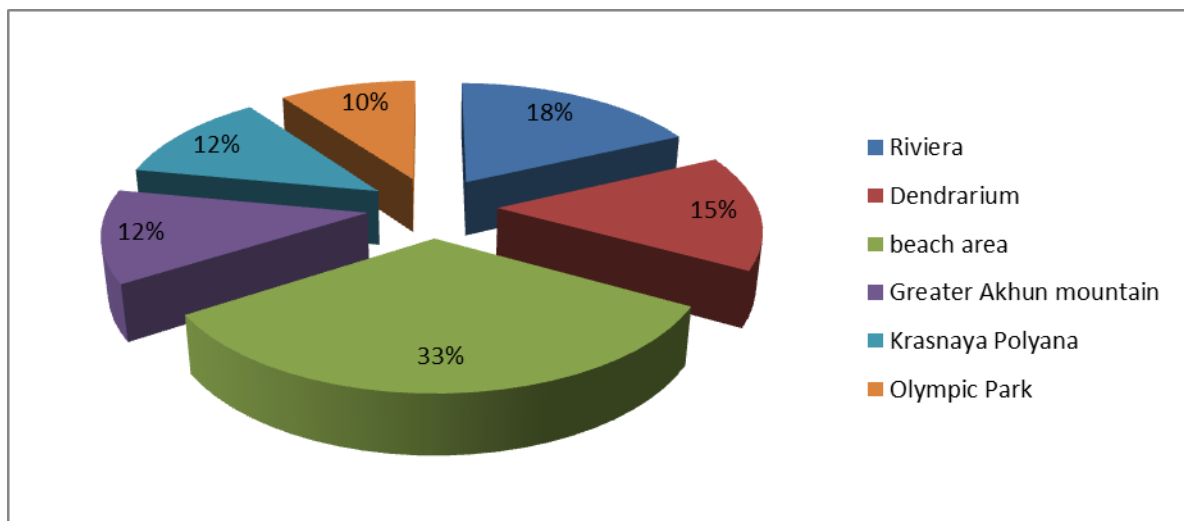


Figure 1.The most popularplaces to visit in Sochi

Thus, based on the survey results, the most attractive sites visited on a regular basis are the Riviera and Dendrarium parks, the beach, the Greater Akhun mountain, the Krasnaya Polyana ski resort, and Olympic Park (in the Imereti Valley) as a new site. That is, some of them are a must to visit based on the public opinion formed a long time ago, while others arouse a lively interest in the city’s visitors but need promoting and marketing.

It is worth noting that currently one of the factors in smoothing over the seasonal fluctuations in Sochi’s tourism business is event tourism, which is a great way to relax, receive lots of unexpected impressions, and learn something new. Today Sochi has the potential to be not just a major resort city but a true center of event tourism. You can enjoy not just a unique combination of sea and mountains in Sochi, which lets you either relax on the beach or have fun skiing, but also take advantage of the opportunity to attend and take part in events that take place in the area.

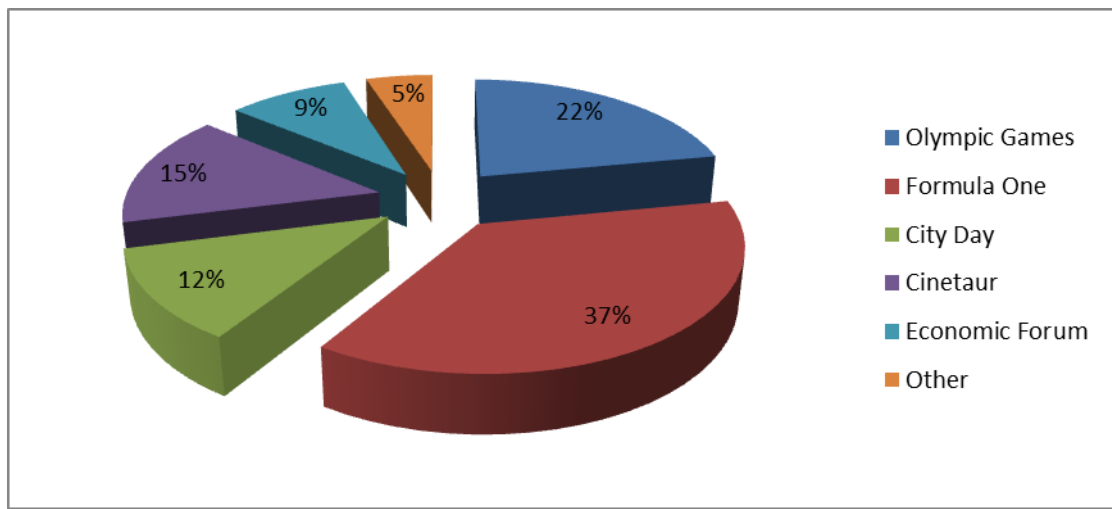


Figure 2. Sochi’s most attractive events

Thus, the survey revealed that the most vibrant event was, of course, the XXII Winter Olympic Games, the rest including the Formula One Russian Grand Prix (October), City Day and the opening of the resort season (May), the Russian film festival “Cinetaur” (June), and the international economic forum “Sochi” (September). For Sochi, the development of event tourism is an extremely topical issue also as an action guide in competing for tourists, since it is inexhaustible in content in this region. Sochi being chosen as the host city for the Olympics and its preparation for the event definitely proved a powerful stimulus for the development of this resort region.

The authors’ study identified the following characteristics of the structure of Sochi’s tourism flow: young families without children (46 %), young families with one child (26 %), families with two or more children (9 %), middle-aged families (7 %), retired persons (12 %).

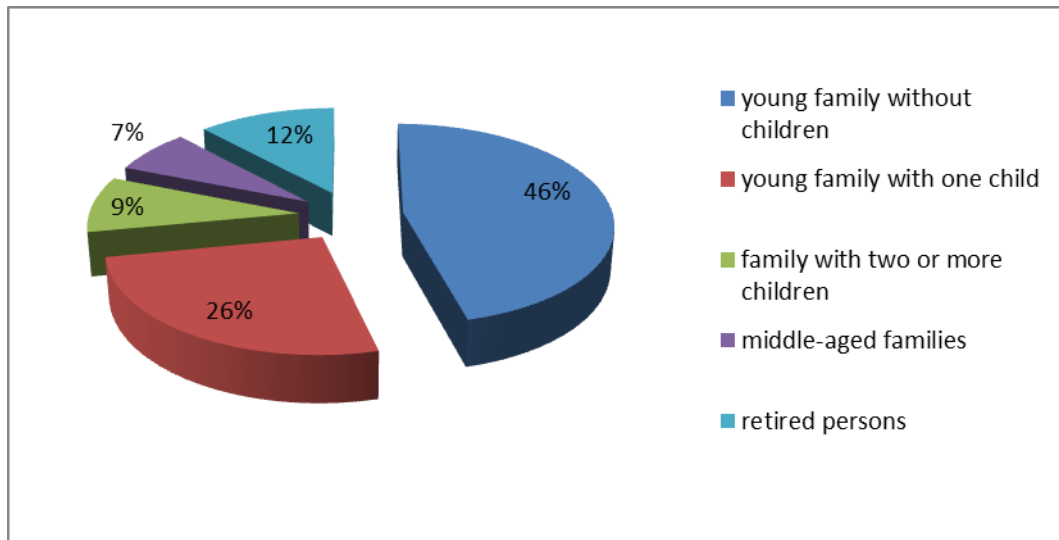


Figure 3. The structure of Sochi's tourism flow

To investigate into preferences in the choice of lodging facilities across Greater Sochi, the authors conducted a questionnaire survey to determine which types of facilities are popular with the city's visitors.

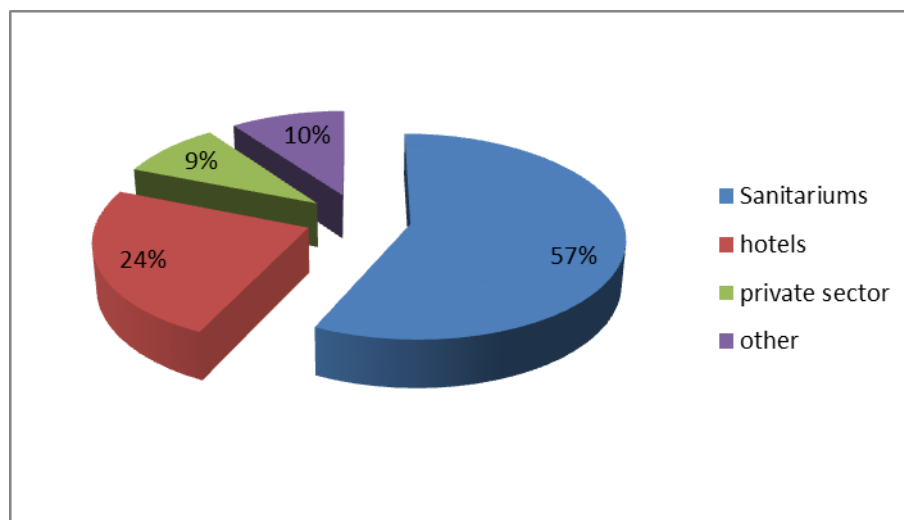


Figure 4. The structure of distribution of tourists across lodging facilities

Out of 500 respondents, the majority elected to stay in Sochi at sanitariums (57 %), hotels (24 %), the private sector (9 %), and other lodging facilities (10 %). Unfortunately, the quality of services provided at the city's lodging facilities hardly meets international standards. Therefore, most of the respondents consider as the maximum efficiency in Sochi not the quality of service but the possibility of improving their health at Sochi's sanitariums. Most of the respondents noted a high level of health improvement medicine at the resort, even compared with recognized international resorts like the Karlovy Vary and Baden-Baden spa resorts. Vacationers are also quite satisfied with pricing policy on sanitarium-resort services.

Hotel accommodation was ranked only second by the respondents (24 %). Unfortunately, almost everyone pointed out drawbacks in the level of hotel service, even at 5-star hotels that belong to international hotel chains. Over the last several years, Sochi has been actively built up and developing its hotel framework, attracting to the local market a number of top international hotel business entities to ensure the European level of service and comfort for the city's visitors. Today, hotel business in Sochi, as well as Krasnaya Polyana, features brands like Radisson, Hyatt,

Pullman, Swiss Hotels, Mercure, Park Inn, Tulip Inn, Sport Inn, Heliopark, Marriott, Rixos, Solis, Russky Dom, Azimut, etc.

The private sector was ranked third (9 %) by the popularity of lodging facilities. Here, of course, the major factor is the price (statistically, savings are about 50 % compared with similar hotel rooms). What draws tourists to the private sector is attractive prices, as well as the absence of a fixed hotel schedule and the opportunity to relax any time you like. Some of the respondents stated that they are ready to put up with the absence of service as long as there is free access to the resort's main attraction – the beach area. Respondents also mentioned some of the other advantages of this type of lodging, like: the opportunity to relax in seclusion, silence, and quiet (something you often do not get when staying at a hotel); the opportunity to plan your time independently; the availability of a fitted-out kitchen and all necessary household appliances, which ensures home-like comfort.

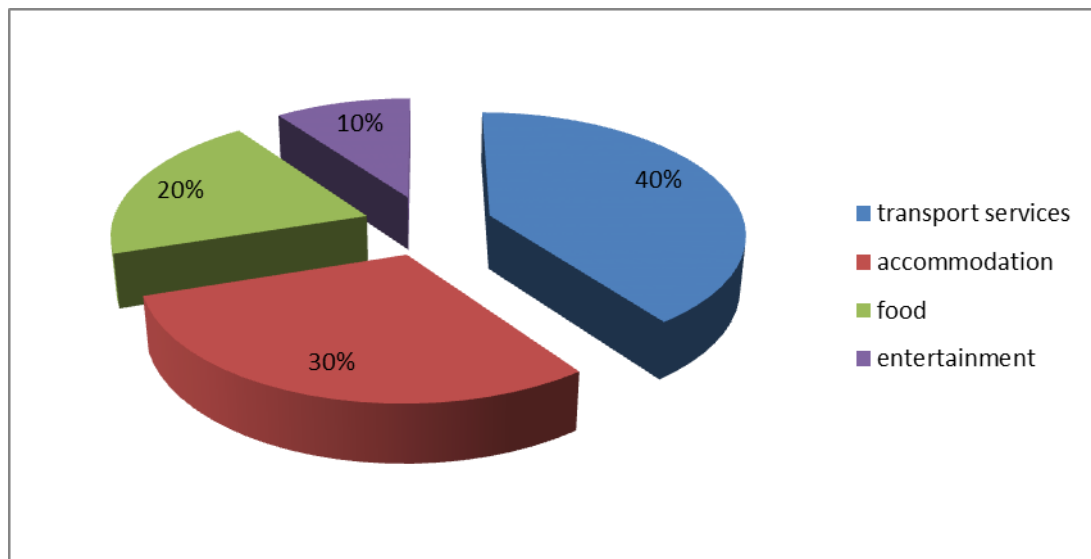


Figure 5. The structure of expenditure by visitors to the city of Sochi

An important role in fostering the region's attractiveness is also played by the scale of visitor expenditure at all stages of the trip. The tourism industry is known to have a unique structure which consists of several separate elements and includes various areas of service for tourists – transport, lodging facilities, public catering, excursion service, commerce, community service facilities, and much more.

As part of the study, the authors had to determine the structure of visitor expenditure during the post-Olympic period, when there has been put in place all relevant infrastructure for the effective development of tourism, handling large tourist flows, and streamlining the various dimensions and types of tourism.

The survey results revealed the following: transport services ranked first in terms of one's total expenditure for the trip (40 %), i.e. the cost of tickets accounts for quite a sizable share of one's total expenses. This is the only negative factor affecting the choice of Sochi as a getaway at present. The city, despite its international status obtained after the Winter Olympics, has not made it into the charter air-flight grid. And there is really no stimulus for road transport and airline companies to reduce prices. "Suffering" the most, according to respondents, is the Moscow-Sochi-Moscow route (16,598 rubles being the average ticket price in 2015), for which prices go up three times in "high-demand" periods, while in peak periods, such as during the holding of the International Economic Forum or Formula One, prices can jump up to eight times. The only way out of the current situation is creating an extensive network of charters connecting cities in Russia and Central Europe with Sochi.

Respondents ranked accommodation second (30 %). Up to 80 % of respondents considered the cost of accommodation as reasonable and acceptable, which can be viewed as one of the elements of attractiveness (Figure 6). Note that those staying at sanitariums found that that full

board and lodging and sanitarium-resort treatment have a more-than-reasonable price-tag, for three meals daily included in the cost of the package come at quite an acceptable price compared with what you get at city cafés and restaurants.

Among their major complaints, respondents listed excessive expenditure on food (20 %) and entertainment (10 %): prices being higher than European (the average bill being 1,000 to 1,200 rub.), the quality of service being quite low, and the roster of services offered being too limited. That said, the entertainment industry proper did not draw negative reviews from respondents either in terms of service or pricing policy, while the limited number of new exciting entertainment facilities was listed as a concern.

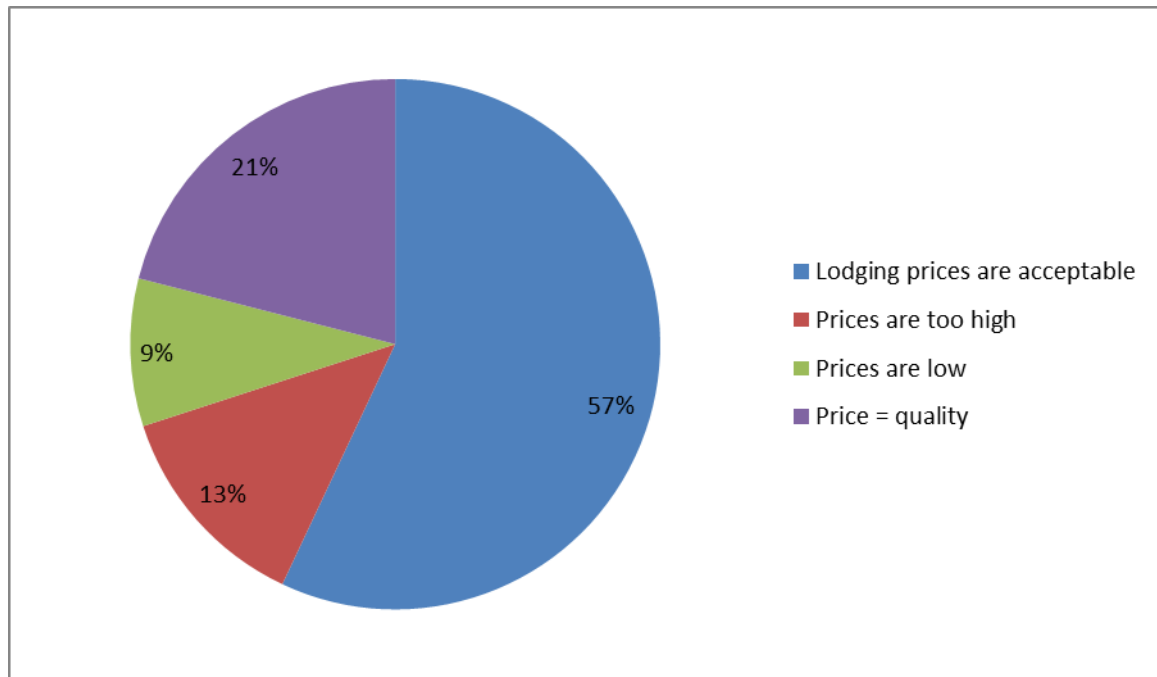


Figure 6. An assessment of the degree of objectiveness of the cost of staying at lodging facilities in Sochi

And that is quite a significant consideration when it comes to attractiveness, for the entertainment industry is among the major stimuli for tourism, as most tourists come over to get new, unforgettable impressions and positive emotions. The truth is that just two new services have joined the excursion roster: tours of Olympic facilities (“In the Wake of the Olympics”) in Krasnaya Polyana (an alpine cluster that incorporates Sky Park, new chairlifts, new hotels, and entertainment complexes) and in the Imereti Bay (a littoral cluster that consists of Olympic Park, major Olympic sports facilities, and the “Sochi Park” theme amusement park).

Today, we can only presume that we will see an increase in the share of vacationers with budget expenditure in the structure of tourism to Sochi, for there are no official data on the structure of tourist expenditure through the example of the resort city of Sochi [9].

The survey’s summarizing point was exploring the general picture which reflected the main elements of Sochi’s attractiveness during the present period (Figure 7).

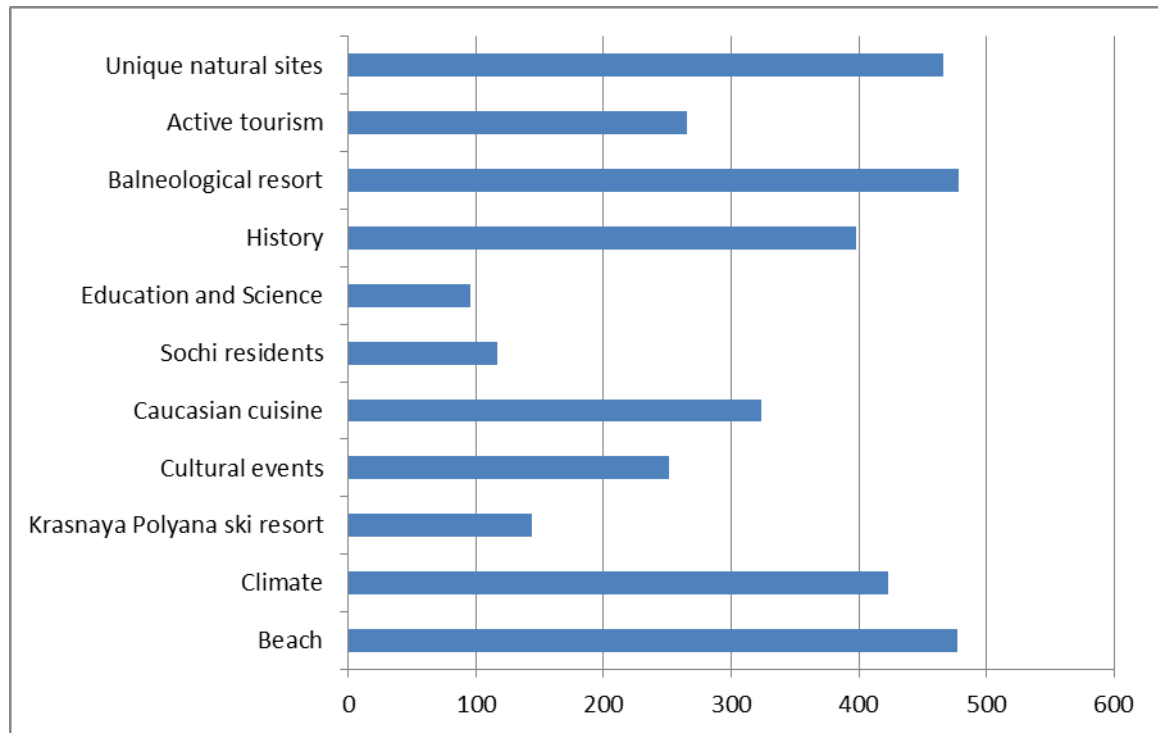


Figure 7. The main elements of Sochi's attractiveness

Respondents were asked to determine which main elements, in their opinion, are the most attractive to them in terms of the choice of a getaway. Thus, the most important, of course, were the Black Sea (477 respondents, 95.4 %), the climate (423 resp., 84.6 %), the Krasnaya Polyana ski resort (144 resp., 28.8 %), significant cultural events (251 resp., 50.2 %), the original Caucasian cuisine (324 resp., 64.8 %), the hospitality of the city's residents (117 resp., 23.4 %), educational institutions (96 resp., 19.2 %), the city's rich history (398 resp., 79.6 %), balneological resources (478 resp., 95.6 %), active tourism (265 resp., 53 %), and the area's unique natural sites (466 resp., 93.2 %).

Conclusion

The development of the tourism industry is a priority for the Black Sea coast of the Russian Federation and the city of Sochi, in the first place, whose development was given a powerful boost by the XXII Winter Olympic Games staged in February 2014; immense funds were invested here in the area of development of the region and its infrastructure. Any destination that operates as an economic system needs to embark on a path of sustainable and effective development and become competitive, when its establishments (lodging facilities, food outlets, transport companies, etc.) become fully aware of the importance of creating a highly attractive tourism complex for the region's economy and start implementing a harmonious policy of development of their enterprises and coordinating mutual economic interests with a view to expanding their potential for development and attracting tourist flows [1].

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