Digital Services in Georgian Tourism – The Basis of Smart Tourism

Maia Meladze, PhD, Associated professor
Ana Gvaramadze, PhD student
Salome Bestaeva, PhD student
Grigol Robakidze University, Georgia

Abstract

The paper is an integral part of the project "Research on the use of digital products in the Georgian tourism sector" which won the internal grant projects competition of Grigol Robakidze University.

Digitalization is an inseparable part of the modern world. More and more companies are trying to refine and simplify both production and service. Digital technologies are helping companies in the tourism industry to expand the scope of their activities, covering a much larger scale than was previously possible. The use of digital technologies helps companies in the field of tourism not only to improve the service but also with its help the company can use online marketing, which significantly stimulates sales growth. There are a lot of essential modern digital trends that those in the tourism industry need to be aware of, and adapt to, if they are going to successfully optimize business performance. The objective of the chapter is to identify digital services in the Georgian tourism sector, determining the level of development of smart tourism, analyze its characteristics, review challenges and opportunities in this direction.

Keywords: Social media, Georgian value-chain, Georgian travelers, Digital technologies, Georgian tourism applications, Smart tourism

Introduction

The tourism industry is vital to the economies of most countries. In 2020, the world faced a new challenge, Covid-19 completely changed the lifestyle of people, which united the world's population. From this time digital tourism is becoming ever-more interesting, as it provides a tech-driven way for people to research, plan, and experience their vacations. Georgia's current tourism offering is oriented toward low-spending neighboring markets and, although there is growth in high-spend global markets, the share is still very small. Although Georgia has seen very strong growth from China and India.

The modern traveler is unthinkable without a smartphone and other digital mechanisms. Everyone starts their journey by searching the internet for information and getting to know the thoughts of other travelers. Modern society is adapted to the field of internet and the internet is the most important source of information for them, so every company tries to adapt to the needs of the market and create an e-marketing and promotion system.

The impact of information and communication technologies on the global economy has changed significantly over the last 30 years. Digital technologies have brought significant transformation to the tourism industry, revolutionizing tourism enterprises, products and experiences, business ecosystems, and destinations. It is essential for the tourism industry to create interesting content using digital technologies at all stages of the journey. Tourism, as a service industry, has discovered the impact of information on tourism experiences. The tourism industry has always embraced the growth of new technologies, such as computer reservation systems (CRS), global distribution systems (GDS).

Digital services offer new ways for tourism organizations to implement their business models and operations. Therefore, stakeholders in the tourism industry should pay attention to the impact of digital services to improve the reliability of their information and services.

However, new opportunities for Georgian firms to capture value are emerging, not only during a trip but also before and after a trip have occurred. Given that many of these activities are digital, there is a risk that value chain actors could rely on foreign firms to provide these services. Value-chain actors are creating value by engaging online communities with shared interests. Rather than focusing on a country-centric message, value-chain actors can monetize digital social interactions by using services such as YouTube, Instagram and Snapchat to engage online communities with a shared interest. Electronic word-of-mouth and other types of user-generated content are fast becoming a widely used source of travel information for internet users.

Georgian value-chain (GVC) actors have not yet responded to these emerging trends, but Georgia's nascent digital services community is well

positioned to move into this space. However, opportunities for job creation are not limited to digital service providers, as more Georgian firms incorporate travel tech and fintech solutions, emerging GVCs will increasingly generate new in-house roles and support functions. In addition, virtual reality and augmented reality have particular relevance in emerging tourism GVCs and present entrepreneurial opportunities.

It is interesting what role digital technologies play in the field of tourism, how it is used in practice and how it replaces pre-existing services. Tourism is about exploring new things, discovering them and of course sharing them. The lifestyle of modern people is overloaded and tense, digital technologies help people to easily plan trips as well as get information about various travel services all over the world.

In the face of closed borders and fears of travel, it is more interesting to study the role of digital technologies in modern tourism, for example famous galleries and museums have moved on to arranging digital tours. We think digital services and digitalization is a topical and interesting research issue today. We will try to touch on all the research points in this direction and find out the importance of digitalization in modern tourism.

Background
History of development of existing technologies in the field of tourism

The development of the tourism industry dates back quite a few centuries, although its active development begins in the second half of the twentieth century. The development of tourism began with mass tourism groups when active travel from the world's highest-income countries began. Today's tourism industry is radically different from the industry of that time, today almost all services are computerized.

Poggi (2019) found, that digital transformation is related to innovation, the creation of new structures, the implementation of a new culture, processes and technology, and starts with the premise that travelers have changed. Customers today are not the same as they were four years ago. They live connected, have new demands and want to be surprised. The search for digital transformation also involves the creation of new products and services, at lower cost and with greater productivity.

According to Zhang (2023) the key measures to strengthen customer demand insight, strengthen the construction of information technology infrastructure, promote the application and innovation of new technologies, and strengthen the development of social responsibility projects are put forward in the path selection and countermeasures.

According to Meladze (2018) communication in a world where we're inundated with advertising and personalized communication, it is vital to build brand relationships; moreover, the power of social media means that today's

tourist can tell the world about your destination's shortcomings through YouTube or Facebook in a click. Thus, the interface between DMOs and tourists has completely changed. No longer is the marketing mix about product, promotion, path, pricing, packaging and push. It is the consumer 2.0 marketing mix based on conversations and context, connectivity, collaboration, creativity and co-operation.

Todua (2018), Todua et al. (2021) found, that social media marketing activity of travel agencies increases consumer's interest and reliability which leads to customer satisfaction. But despite the active use of social media by Georgian consumers, the levels of interest, reliability and satisfaction of consumers regarding to social media marketing, provided by tourist company, are average.

According to Meladze et al. (2018) Social media is a quick and effective way to increase the public opinion, awareness, loyalty and confidence. Nowadays, in Georgia, there are almost no Internet users, that do not use any kind of social media. In addition social media is an opportunity to determine the dependence of different parts of society towards specific products or services.

Sachaleli (2021) found, that Georgian travelers are using international applications more often than the Georgian ones, because they are often traveling abroad and this is necessary for them. But Georgian applications have great opportunities for people who want the spend holidays in Georgia.

According to Letandze (2023) more active involvement by the private sector using digital technologies will increase the number of tourists much more. It is necessary to strengthen the existing tourist facilities in the village with digital technologies, which will help integrate on important online platforms.

According to Social Media Statistics (2023) by the beginning of 2023, there were 5.18 billion internet users worldwide, which amounted to 64.6 percent of the global population. Of this total, 4.8 billion, or 59.9 percent of the world's population and 92.7% of all internet users, were social media users. There were 150 million new social media users between April 2022 and April 2023 – a 3.2% increase year-over-year. As of April 2023, the top most used social media platforms, ranked by global active users, were Facebook, YouTube, WhatsApp, Instagram, and WeChat. In terms of usage, social media is most popular with users between the ages of 18 and 29. 26.8% of internet users aged 16 to 64 discover brands, products, and services via ads on social media.

It should be noted, that compared to previous years, the Georgian National Tourism Administration (GNTA) devotes more attention to social media and digital marketing. However, GNTA has much more work. More social campaigns are needed, because most of the tourists are active internet users.

Digital marketing tools and travel online platforms worldwide

Digital technologies are actively used in various fields as well as in tourism. Modern technologies give us a lot of opportunities and tools that help tourism services to simplify their activities and at the same time attract more customers.

In addition to a company's own website (93%), social media is the most popular channel (85%) for B2B communication. As for B2C communication Social media is the first 96% (figure 1).
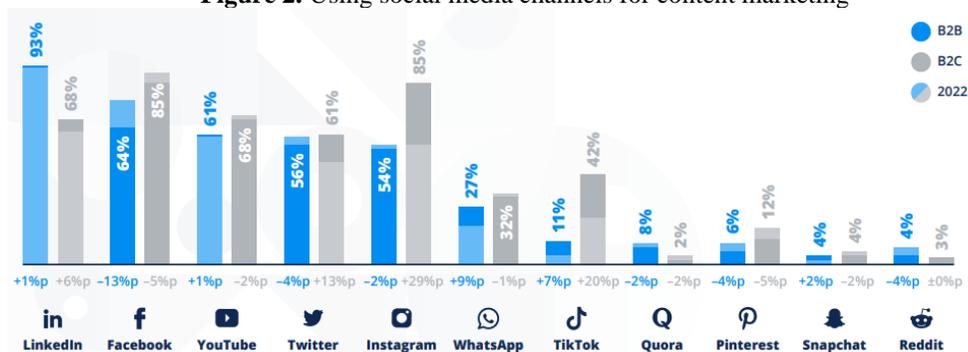
Figure 1. Channels used by travel companies for content marketing
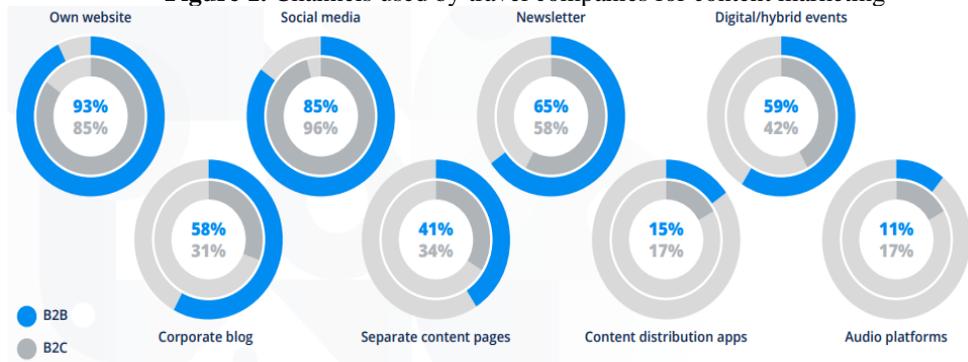
Source: Statista Content Marketing Trend Study 2023

As for social media channels, Instagram and Facebook are now the leaders in the B2C sector, while LinkedIn is still the most popular in the B2B sector (figure 2).

Figure 2. Using social media channels for content marketing

Source: Statista Content Marketing Trend Study 2023

Nowadays, tourists have many opportunities to plan their own trip. To do this, they undoubtedly use digital services. Access to information allows us to book a hotel, buy airline tickets and find detailed information about sights and food, calculate the budget in advance, buy tickets to museums or public

transport. All this makes the planning process much easier and more convenient for travelers.

Methodology

The research methodology of the article is based on primary and secondary research data. The research was carried out using qualitative and quantitative research methods to achieve the goals set in the paper. Also, analysis of statistical data and websites of tourist organizations. Within the framework of the article, online interviews and online surveys were conducted with Georgian travelers.

Research Results

The use of digital technologies in Georgia has been active since the entry of world-class hotel brands such as Marriott, Hilton, Sheraton, Radisson and others into the Georgian market. However, the digital elements of self-service still need refinement. We would also like to mention the country's domestic tourism market, which makes almost no use of digital technologies. The level of digitalization is still low in the domestic market of Georgia, which has a negative impact on the sharing and dissemination of tourist information within the country.

Local hotels and restaurants do not have digital services introduced, which has a negative impact on services and sales, in our opinion, a lot of work needs to be done in this direction to actively implement the relevant applications, booking systems and platforms that will facilitate travel within the country and allow more and more people to get information about tourist places and services in Georgia.

The introduction of digital technologies in Georgia is under development, the Corona virus has accelerated the need to introduce digital services in the tourism industry, we hope that over time this direction will improve in Georgia and the domestic tourism market will actively use digital platforms, systems and applications. In order to quickly exchange information between the population and increase the interest of tourists in the domestic market, I think it is necessary to share international experience in this area, participate in foreign trainings and seminars, ensure the involvement of tourism business owners in Georgia in these activities.

There are many online travel platforms available on the Internet. Among them are Tripadvisor, Booking.com, Airbnb, Skyscanner, etc.

TripAdvisor is the largest travel platform in the world, headquartered in Massachusetts. TripAdvisor's branded sites and forums operate as online travel guides that offer users free overview of travel-related content. Founded in 2000, TripAdvisor has become one of the most popular travel and accommodation websites in the United States. In 2018, the website already

had around 730 million user reviews and opinions, which included a list of more than eight million restaurants, hotels, rentals and tourist attractions. Due to the growing number and variety of global internet users who publish reviews online, many modern travelers now use TripAdvisor to choose a vacation spot and get travel-related tips. TripAdvisor conducted a quantitative online survey of 2025 users over the age of 18 in the spring of 2021. The subject of research interest was the use of mobile phones by consumers to get travel ideas and inspirations. 36.5 percent of respondents said they used social media websites for travel inspiration or ideas. In addition to social media, what other ways do travelers use to obtain information is shown in figure 3.

Figure 3. Using a mobile phone for holiday inspiration in the US (TripAdvisor)

Source: https://www.statista.com/topics/3443/tripadvisor/

In July 2023, booking.com was the most visited travel and tourism website worldwide. That month, Booking's web page recorded roughly 716 million visits. Tripadvisor.com and airbnb.com followed in the ranking, with around 207 million and 115 million visits, respectively.

Needless to say, Georgian travelers also use various online resources when planning a trip and getting information. There is a popular group on Facebook called "Travelers Club", which unites up to 290,000 users. This group is an opportunity to share information about cheap traveling with each other. We tried to conduct a small-scale online survey like TripAdvisor with a population-based research methodology. According to quantitative research, we should have understood the ways of Georgian tourists in which they search for information when planning a trip via mobile phone. Therefore, to find out whether Georgian tourists have purchased any tourism product using any of the social media platforms. Five hundred people over the age of 18 participated in the online survey. The survey found that 20.8 percent of the

respondents use social media for travel inspiration or ideas. It was also interesting to see what other means Georgian travelers use to obtain the information they want, as shown in figure 4.

Through the existing diagrams we can judge that no less Georgian traveler uses social media to plan travel compared to foreign tourists. Also, both Georgian and foreign tourists trust bloggers with almost the same percentage. (7.2% და 8.2%) As for the using of general search engine, most Georgian and foreign tourists make a choice for this option. (69% და 48.6%)

Figure 4. Use of mobile phones by members of the "Traveler Club" to plan vacations.
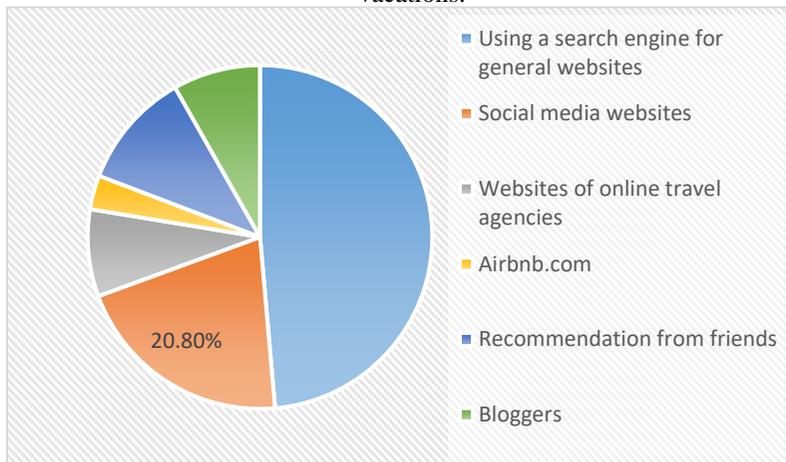
As for the answer to the question, whether any of the social media platforms have the respondents used to buy a tourism product, 47.4 percent agreed with the question, as shown in figure 5. This once again demonstrates the importance of using social media to promote tourism products and attract customers.

Figure 5. Using a social media platform to buy a tourism product by members of the Traveler Club

Travelers Club

Although this study is not large-scale, it provides a general idea of the importance of social media for Georgian tourists, as well as for companies to see why they should pay attention to social media platforms. Our aim was to highlight the role and importance of social media in the field of tourism. Since today, the tourism business is virtually completely digitalized, the introduction of digital marketing in Georgian companies can bring many benefits. This will affect the development of companies, enable them to easily solve problems, investigate customer behavior, monitor and analyze the number of customers, gain information about competitors, and create a brand image that in itself will attract customers. In order to maintain the pace of tourism development in Georgia, it is necessary to focus on modern technologies and to meet the challenges of the world.

On 22 June 2019 in response to the Russian ban and the possible threats to the Georgian tourism industry Georgian activists together with businessmen and international society have launched the public campaign - Spend your summer in Georgia. Accordingly, it was created public group on Facebook. The campaign aims at boosting the image of Georgia and attracting more visitors via showing the world the tourism potential of country. They have set two goals – to develop and advance the touristic potential of Georgia and, besides, to create an information and recommendation hub for foreigners.

Meladze et al. (2019) found, that the group included around 282 096 Facebook members by August 2019 and it has been only couple of weeks since the campaign was launched. The campaign was started by 5 friends and nobody could think that they would achieve nationwide fame in a matter of days. A little later, the group changed its name to: "Spend 4 Seasons in Georgia" with 389 794 members. Nowadays this group included 389 888, As a result of this activity, was created

website: www.spend4seasonsingeorgia.com and

Instagram: https://www.instagram.com/spend4seasonsingeorgia/?igshi d=gg3p

Another cases of facebook activities in Georgian Tourism is public group Cheap Travel Georgia. Group was created on 11 December 2013 and now (by August 2023) included 290 377 Facebook members. Closed group National hiking federation was created on 17 September 2012 and included 36 714 Facebook members by August 2023. They have positively impacted on Georgian tourism activities by increasing consumer awareness of the tourism product.

Despite everything in Georgia, social media management did not develop properly. There are no staff in the company who are well aware of social media. Consumers are waiting more activity from companies. They are ready to express their opinions about products or services and share advice with other consumers.

Conclusion

The Internet is an integral part of modern business management. It is unthinkable for modern companies to function effectively without the use of the Internet. In the process of globalization, more and more people are registering on social networks every day and more and more people are connecting to the Internet. Tourism is one of the most in-demand business economics, with a wide range of services, many of which are online. The idea of any traveler about future travel arises from receiving information posted on the Internet. In the past, a large part of travelers paid attention to the experience of friends and relatives to plan their future trip, but today this direction is quite expanded. It is not necessary to have the experience of a relative to get information about the tourist place, hotels, restaurants, excursions there, it is enough to type the desired word in the Google search engine to get a lot of information.

Georgia has long been trying to capture a specific niche in the field of tourism, as it is known Georgia is rich in natural and cultural resources, tourists are very interested in the country, but so far many areas of tourism need to be refined, in this regard it is important to share international experience. The marketing activities carried out by the Georgian National Tourism Administration included the use of social media marketing, among other things, so the administration created platforms where tourists could get information about Georgia. These platforms are really lively, renewable and tailored to tourists.

As for private companies working in the field of tourism, there is still a lot of work to be done in this regard. Five-star hotels have websites as well as Facebook pages that provide full information about the hotel's services, but less news. Consequently, the number of questions and responses is less. Medium and low category hotels have a lot of problems, both feedback and

reliability in case of online booking are low, because they use booking.com for advertising and booking physically. Which causes a great deal of inconvenience and dissatisfaction among tourists. This factor is especially difficult when the hotel is located in a mountainous or inaccessible region, when the tourist is literally out. It is also a negative moment when the hotel exists but does not use social media platforms and the tourist cannot get the information about the hotel and may not even travel to the region as he could not find a place to spend the night. Accordingly, the dissatisfied traveler spreads negative information not only about a specific tourist destination, but also about Georgia as a whole, which in the future will have a negative impact on tourist flows.

We would like to mention that Georgian-based tourism applications have been created in Georgia, which aim to create tourist satisfaction, to facilitate the connection of tourists with hotel owners. These applications are: Expago, Guestme, Audio Guide Georgia, Mountains Resorts of Georgia. The creation of these apps is a positive development in itself, however they need refinement and most importantly dissemination of information so that tourists can find out about the existence of similar apps.

Separately, we want to talk about transport, one of the most important directions for the development of the tourism sector. In this regard, the situation in Georgia is really bad, because apart from trains and buses that connect only big cities, there is almost no other internal communication and online booking system, because domestic transport is generally a major problem in the country, therefore the biggest obstacle to travel in Georgia, Tourists do not have the opportunity to book and buy tickets online.

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