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RUSSIAN ECONOMIC DEVELOPMENT'S IMPACT ON RUSSIAN
TOURISTS' SHOPPING BEHAVIOR OF DAILY PRODUCTS IN
THE JOENSUU REGION

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Title
Russian Economic Development's Impact on Russian Tourists' Shopping Behavior of Daily Products in the Joensuu Region

Abstract

The purpose of this thesis is to find out how tourism and the shopping behavior of Russian tourists have changed over the past years in Eastern Finland, especially in the Joensuu Region. The interest was found out by interviewing changes from before 2016 to after 2016 in traveling and shopping behavior. The accomplished survey wanted to pay particular attention to the content of the shopping cart and changes in it, as well as factors affecting to purchase decision.

The sample (n = 100) was collected in the end of 2017 (November to December) at the Niirala international border crossing point using a quantitative research method. The interview was conducted with a semi-structured questionnaire, and the results were analyzed with percentage accuracy.

The results show that during the period, many tourists have not increased or significantly reduced their travels. It can be seen that the economic situation in 2014 has not had a major impact on the decline in tourist attractiveness, but on the other hand, an increase in volume is not found when it comes to other surveys. The number of Russian tourists are starting to grow slowly. A crucial conclusion can be made that a shopping traveler arrives in Finland regardless of the economic situation.

Another major research result is related to the content of the shopping cart. Three of the most important factors affecting purchasing decisions were found in most products: price, quality and healthiness. As expected, price was considered one of the most important factors, but the results show at the same time that quality and health were also important criteria in purchasing.

Language

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shopping tourism, shopping, tourism, Russian travelers, North Karelia

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1 INTRODUCTION

1.1 Background

Tourism is a part of globalization. It has been and it still is a booming phenomenon around the whole world. It has a direct impact on the national revenue of every country that experiences tourism.

Russia as a neighboring country is an enormous opportunity to Finland. Even though Russian tourism abroad, and therefore also to Finland, has recently declined sharply, Russians are still the largest foreign tourist group in Finland, their most popular foreign destination. (Visit Finland 2015.)

According to Visit Finland (2017), about 4.6 million overnight trips were made to Finland in 2016. When travelers are asked about the main purpose to visit Finland, the number one reason is shopping tourism, which is especially very popular among Russian tourists. Finnish products and services are considered to be high quality, and Finland is seen as environmentally safe, neat and tidy. In addition, the visa policy for Finland is relatively smooth. Furthermore, even the roads and other infrastructure are mostly organized well. These are probably the most important reasons why Russia has a competitive position in Finnish tourism compared to other countries.

Based on the border controls statistics carried out by the Border Guard of Finland, a record 5.2 million Russian tourists visited Finland in 2013. Since 2009, Russian tourism in Finland increased up to 2013. With the growth of Russian tourism, the Russians have become the most important foreign group in Finland.

The slump in Russian economic growth since 2013 was reflected in the number of tourists. The deepening of the Ukrainian crisis during the year 2014 and in general the geopolitical instability together with the slump of oil prices caused economic distress in Russia. The ruble value reduction has significantly reduced the number of Russian shopping tourists in Finland.

1.2 Aim

The aim of this study is to find out how tourism and the shopping behavior of Russian tourists have changed over the past years in Eastern Finland, especially in the Joensuu Region. The main aim was to receive information by interviewing tourists about the changes in traveling and shopping behavior before 2016 and after 2016. This survey also wanted to pay particular attention to the contents of shopping carts and changes in them, as well as factors affecting purchasing decisions.

There are many border and customs formalities and regulations which should take in consideration in traveling and especially in purchasing daily products. That is why this study researches how tourists see these regulations and especially restrictions.

1.3. Outline

This thesis is divided into five chapters. Chapter 2 describes the recent development of the Russian economy from the end of 1990 to 2017. The main focus is on the year 2014 with crucial changes in the economy. Chapter 3 presents tourism from Russia to Finland in recent years. Chapter 4 describes

the methodology of the survey and also presents the results of the survey. The last chapter includes a summary of the study.

2 RECENT DEVELOPMENT OF THE RUSSIAN ECONOMY

Russia has undergone significant changes after the collapse of the Soviet Union, moving to a more market-based-system from a centrally planned economy. Despite a slouch in economic growth and reform in recent years, Russia remains a predominantly stable economy. In the 1990s economic reforms privatized industry, banking, transportation and even defense-related sectors. However, the protection of property rights seems weak, and the state still continues interfering in the free operation of the private sector. (Facts and Details 2016.)

Russia is one of the world's leading producers of oil and natural gas, and its economy is based on the export of these raw materials, which together covers almost 50 percent of the governmental revenue. Russia is also a top exporter of metals, primarily aluminum and steel. Because of Russia's reliance on commodity exports, the economy is vulnerable to volatile swings in global prices. (Russia Economic Outlook 2018.)

The economy, which had averaged 7% growth during 1998-2008 as oil prices rose rapidly, has seen diminishing growth rates since then due to the exhaustion of Russia's commodity-based growth model. A combination of falling oil prices, international sanctions, and structural limitations pushed Russia into a deep recession in 2015, with the GDP falling by close to 4%. However, the trend in the oil markets has been downwards for the past few years and it hit rock bottom on the 13th of January 2016, when Brent crude fell under 30 USD, its lowest level since 2004. The downturn continued through 2016, with GDP contracting by 0.6%. Government support for import substitution has increased recently in an effort to diversify the economy away from extractive industries. Russia is heavily dependent on the movement of world commodity prices. The Central Bank of Russia estimates that if oil prices remain below \$40 per barrel

in 2017, the resulting shock would cause GDP to fall by up to 5%. (Russia Economic Outlook 2018.)

As Russia's economy is being hammered by falling oil prices and Western sanctions, the national currency (Russian ruble, RUB) has also lost its value tremendously.

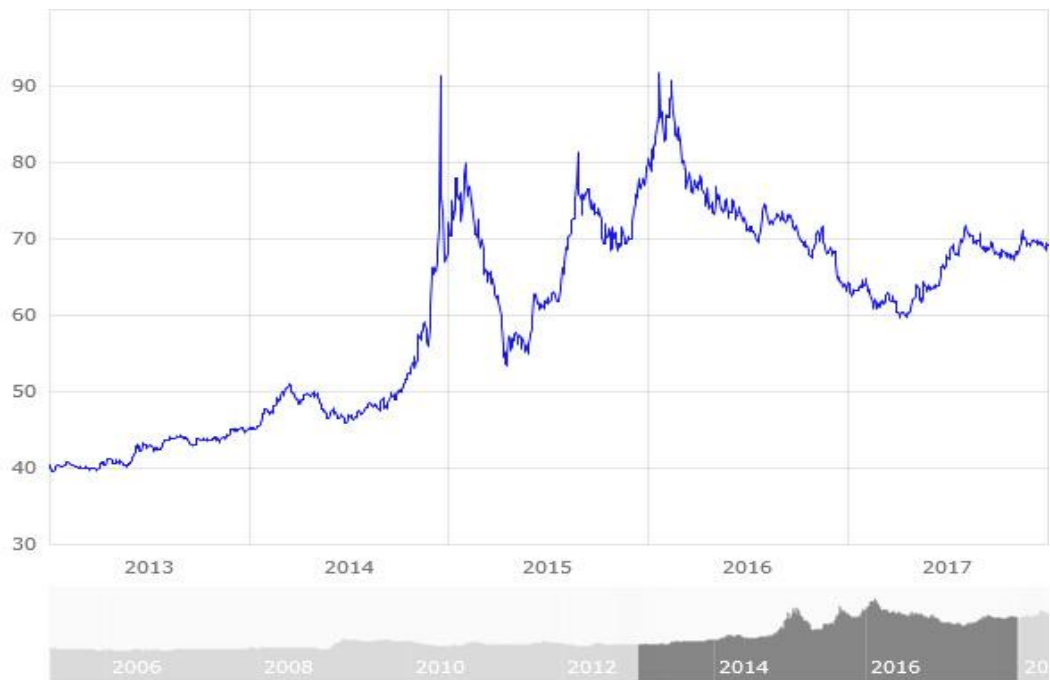


Figure 1. Exchange rate RUB/EUR 2013-2017 (Source: ECB 2018.)

The first enormous drop was in October 2014. The Russian ruble lost almost half of its value in one day. In 2017 the course of the ruble stabilized to 67 – 70 rubles against the euro. (Trading economics 2016.)

Because of the fall of the ruble, accelerated inflation increased the price levels of consumer goods by 16% in 2015. For example, the average annual income in the Republic of Karelia in November 2015 rose 1.4% from the previous year and was 29,609 RUB (423 EUR). However, gross monthly salaries decreased by 11.6% when deflated by the consumer price index. In the Russian

Federation monthly wages generally decreased to 39,355 RUB (559 EUR) in July from 41,640 RUB (616 EUR) in June of 2017. (Kareliastat 2015; European Central Bank 2018.)

In 2016 Russia's economy contracted less than it was expected. In 2017 the economy was growing again but still remained sluggish in growth. There has not been enough action to modernize the economy, and low oil prices are not enough to accelerate growth. Russia's GDP will grow by 1.7% in 2018 and 1.8% next year. (PTT 2018.)

Nonetheless, the value of Finnish goods exported to Russia rose 13% in 2017. The growth of exports faded in the spring, but it quickened in May and June 2017. For the first half of 2017, exports of goods jumped by nearly 20% compared to 2016. Growth was seen in almost all of the major goods categories, but the highest growth was in the export of machinery and equipment. However, exports were still well off their peak levels of recent years. Russia's share of Finnish goods exports is a little over 5%. Service exports to Russia have also turned to growth in 2017 after a decline of many years. From January to March service exports were nearly 9% more than a year earlier. The growth in travel services also seems to have continued from April to June. Russian overnight stays in Finland increased by more than 20%. The value of imported goods from Russia grew 27% from April to June 2017. The increase rate was reflected largely by an increase in oil prices. In the first half of the year, Russia was Finland's second largest importing market area after Germany, with a share of more than 14%. (BOFIT 2017.)

The Russian Federation is now showing encouraging signs of overcoming the recession it entered in 2014. The economy is predicted to grow 1.3% in 2017 and to keep growing to 1.4% in 2018 and 2019. (World Bank 2017.)

3 TOURISM FROM RUSSIA TO FINLAND IN RECENT YEARS

3.1 Russian tourists in Finland

Traveling among Russians to Finland has grown enormously in ten years. Growth in arrivals and overnight stays grew most strongly between 2009 and 2013 (Visit Finland 2017). The weakening of the ruble began in 2014. The fall in oil prices and the weak economy in Russia had a significant impact on the number of Russian tourists in Finland. In the entire country the number of overnight stays among Russians decreased by more than 17% between 2013 and 2014. (Pasanen & Pesonen 2016.)

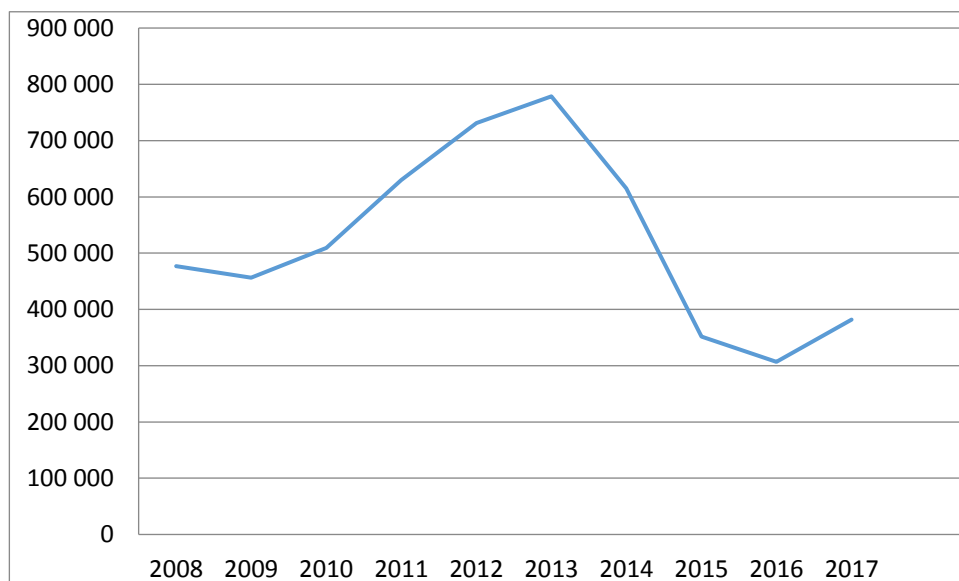


Figure 2. Border crossings from Russia to Finland 2008-2017 (Source: Statistics Finland 2018).

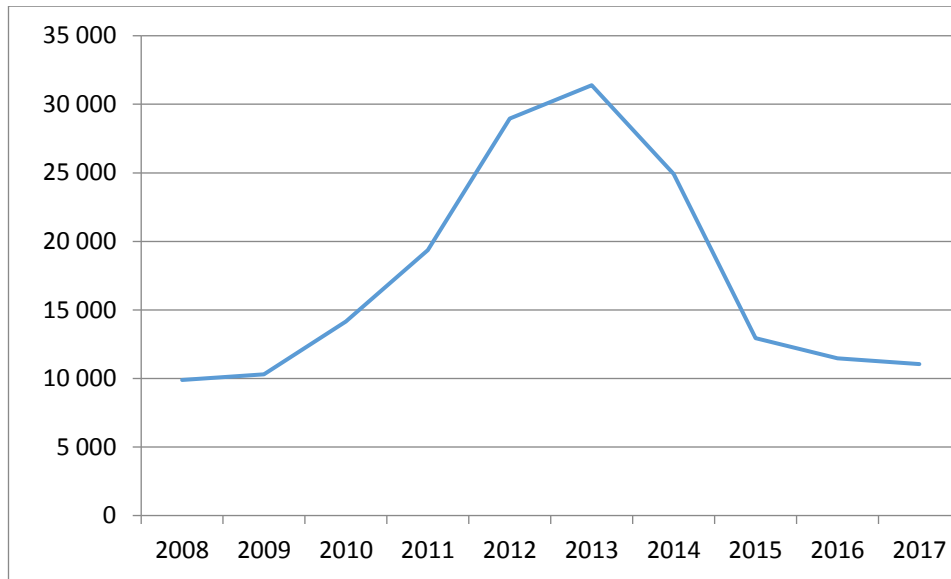


Figure 3. Border crossings from Russia to North Karelia 2008-2017 (Source: Statistics Finland 2018).

In 2015, more than 800,000 Russian tourists visited Finland. Each of them made on average 3.3 trips to Finland during 2015. In total tourists from Russia made 2.7 million trips to Finland in 2015. The number of trips had decreased by 1.1 million, or by 30% from 2014. The number of daily trips fell by almost one million from 2014 to 2015. Yet still nearly two-thirds of the trips made by Russians are day trips. (Visit Finland 2015.)

On average 13.8 billion euros were spent on tourism in Finland in 2015. The sum includes consumption the expenditures of Finns and foreign tourists in Finland. Foreign tourists accounted for around 27% of the total consumption, 3.66 billion euros. (Visit Finland 2018.)

Total traffic across the border between Russia and Finland has also fallen in January-August 2015 compared to the same period in 2014. The total number of border crossings fell by 21% in all border posts. However, in the south-eastern Finland border posts of Vaalimaa, Nuijamaa, Imatra and Niirala, the fall has been even bigger - almost 25%. Also Russian passengers traveling by train

via Vainikkala crossed the border 17% less than in the previous year 2014. (Raja 2015.)

The ruble has recovered from the worst times of 2014-2015 (in December 2014 91.5 rubles to the euro), and in the summer of 2015 the situation seemed to change in a positive direction with regards to the ruble rate and the number of tourists. By the autumn 2015, however, the ruble's exchange rate declined again, reducing the number of Russian arrivals and the number of overnight stays. The exchange rate and Russians' travel to Finland look like they are walking hand in hand. However, the exception is the season 2015-2016 season. At the turn of the year the number of tourists had risen despite the ruble's weak course in the previous year (Research and Analysis Center 2017.)

The Russian tourist market that had been slumping since 2014 started to recover late in 2016. Consumer trust in the tourist business strengthened; sales improved and are now characterized by good dynamics. According to Russian statistics, Finland was the second most popular foreign tourist destination in 2016 for Russians. According to figures Rosstat (2016), Russians made 2.894 million trips to Finland. In 2015, Finland ranked fourth on the list of visits abroad. This is one clear indicator that Russian tourism in Finland is recovering from the economic crisis of recent years. (Federalnaja sluzhba gosudarstvennoi statistiki 2016.)

According to senior bank expert Laura Solanko at the Bank of Finland's Institute for Economies in Transition (BOFIT), interest in traveling among Russians starts with the strengthening of the ruble. In 2014 the exchange rate was 75 rubles to one euro. In 2017 it had a value of about 68 rubles. In other words, the same number of rubles gave Russians in Finland about 15 percent more euros. The number of Russian tourists is rising slowly, but the peak of four years ago is still far behind. In 2013, the Russians made a record-breaking over 5.2 million trips to Finland. However, the continued strengthening of the ruble seems unlikely. (Solanko 2017.)

3.2 Russian culture in tourism context

Russian culture differs from the Finnish one in many ways. Russian people are seen as emotional. Their decisions are based on feelings and are made spontaneously. The challenge for a travel agent is to be able to react in the desired way and to offer the desired product by himself/herself or through a partner at a desired time. Experiences are important and they are searched for when traveling away from home. Preferably, there are still some experiences that anyone else in the circle of acquaintances has not been able to experience. They are also very superstitious and interested in mysticism and historical stories. (Malankin 2012.)

In addition to this, hospitality is a major part of culture. Traditional values, such as work, family and friends are important to Russians. Especially religion, art and music are also important for most Russians. In Russia, it takes often a lot of time to do everything. Finnish business partners during the Soviet era often mentioned, that "Russia is a country where nothing works, but everything will be arranged with time." Russians compete with each other willingly. Partly because of this, they do not trust anybody, especially foreigners. From these points of view, buying a vacation is a stressful situation, as it is difficult for a Russian to know which information, tourist operator or company they can rely on. As the most reliable sources of information, they enjoy the experiences of friends, acquaintances and relatives and then the internet. (Malankin 2012.)

Russians are seen as wise but spontaneous, and they make decisions quickly without thinking for a long time. This is also reflected in their tourism decisions. Travel reservations are made close to the time of travel. Russians like comfort and enjoy e.g. the beauty of nature, but on the other hand they are very sensitive, temperamental and extremist. (Korolainen 2012.)

Russians are polite. Particularly attention will be paid to women and children. Women are subject to the demands of feminine beauty, and men, in turn, have to be real men and have a family and a career. Although Russian culture includes courtesy, Russians may feel arrogant or rude, as smiling does not belong to their culture (Malankin 2012). In customer service, however, smiling at Russian customers communicates friendliness and being welcomed (Malankin 2012; Korolainen 2012). Russians appreciate tenderness and the expression of gestures in communication. They are distressed and confused by the silence and modesty of the Finns. (Korolainen 2012.)

Russians want to get a lot of information, which should be offered in Russian, either with Russian language customer service or printed material. It is especially important to keep prices on display because a good product cannot be bought in the Russian market if the price is not visible. Russians want to get as much information as possible. (Malankin 2012.)

In order to analyze the current Russian tourist behavior, the historical and political aspects behind it should be clarified. In the Soviet Union it was not possible for the average Russian to travel abroad widely. Often Russians spent vacations in other socialist countries or in their home country. In 1991 the collapse of the Soviet Union “opened” borders to daily tourism. The outbound traveling of Russians rose annually until the financial crisis in 1998 and the last crisis in 2014. The crises had great effects on middle class residents, who mostly decreased or even interrupted traveling abroad. Nowadays, the pent-up demand for outbound travels strongly exist again, partly because of the hard transition periods and partly because the income level is increasing steadily. Nowadays, the financial possibility to travel reaches more and more inhabitants. (UNWTO & ETC 2010.)

3.3 Russians as shopping tourists

The shopping behavior of tourists is a blend of both planned and impulsive purchasing and experience-based behavior (Meng & Xu 2010).

The prerequisites for purchasing behavior are, from the point of view of tourism, easy mobility, affordability, comprehensibility, refinement and usability when returning home. For example, if it is particularly difficult to bring a product home, the traveler can decide not to buy the product. Product value, appearance and uniqueness also affect product desirability among tourists. The factors related to the image of the product include color, size, and what the packaging itself looks like. The trip may be done together with family or friends, making traveling more like a social event. In this case, the journey may be associated with social pressures on behalf of a travel group that affects shopping. (Meng & Xu 2010, 254-255; Lehtonen & Mäenpää 1997.)

Impulse buying can also be called impulse purchasing, whereby the buyer did not intentionally go to buy the product. In impulse purchasing decisions are affected by personal factors such as past experiences, demographic variables and self-awareness. The display and price of a product can influence a purchasing decision as can situational factors. (Meng & Xu 2010, 255-256.)

Russians appear to be keen shoppers of retail goods when visiting abroad. They are increasingly brand aware and are willing to pay even high prices for quality goods they cannot find in Russia (UNWTO & ETC 2010.) The majority (about 70%) of Russians travelers to Finland are one-day-travelers (Research and Analysis Center TAK Oy 2017). The most common reasons for traveling to Finland in 2013 were shopping trips (65%) and holiday trips (38%) (Research and Analysis Center TAK 2017).

The shopping trip usually begins near the border, e.g. in Vyborg, St. Petersburg, Sortavala or Petrozavodsk, and their destination is mostly in towns near the border. Shopping tourists are among the most prominent groups in tourism among Russians (Syrjälä 2013). Shopping travelers purchase products mostly for their own use, but one-fifth is also for friends or acquaintances. Clothes and groceries are the most common shopping items. (Research and Analysis Center TAK 2017.)

Russians spent for product purchases on an average of 200 euros and services for 66 euros per passenger in Finland in 2013. Total Russian consumption in Finland was 1.21 billion euros in 2013. In 2014, the share of services in relation to product purchases increased slightly: 68 euros was used for services and 174 euros for products. The total consumption decreased to 925 million euros and reduced tourist volumes. (Research and Analysis Center TAK 2017.) However, product purchases still use approximately three times more money than services. According to VisitFinland (2015), a Russian spends on average 150 euros a day in Finland and 252 euros per visit. Of this amount 69% was spent on purchases and food, 13% on accommodation, 10% on restaurants and cafes, 4% on services and 3% on transportation were used on average. (VisitFinland 2015.)

According to the Finnish Commerce Federation (2011; 2012), Russian consumption has changed a lot during this decade in Finland. Period 2011 and 2012 was a so called “celebration of consumption.” In 2010, changes to customs tariffs made it possible to export larger quantities of goods from Finland to Russia. In 2013, however, consumption growth rates started to stabilize, and in 2014 consumption declined. In 2015, the consumption of Russian tourists in Finland collapsed (Finnish Commerce Federation 2017).

Russians travel to Finland in particular because it is easy to travel there and Finland is nearby. Finland is a good shopping destination, a beautiful natural destination, and most Russians love Finland. According to Russians, the most

important attraction factors in Finland are good and high quality service, good connections, clean nature, well-built infrastructure, friendly people, good price levels, tax-free shopping possibilities and safety. The main reasons for a holiday trip to Finland are pure nature (59%) and security and tranquility (49%). Russians appreciate nature, lakes, saunas and peace (Jakosuo 2008). The road quality and the flexible border formalities are also important for some Russian tourists. (Research and Analysis Center TAK 2017.)

A typical Russian client is a 20-49-year-old employed individual who is travelling to Finland for a holiday or shopping by car or bus several times a year (Kuronen & Lampola 2012). The tourist will stay for one to two days, making purchases and possibly spending the night in the destination. Quite often Russian tourists do not know about the shopping centers in a destination region, which is unfortunate. Most of them have found the shopping centers by themselves or by recommendations from friends or relatives.

Price is no longer the main factor affecting the choice of shopping place in the largest residences, but the focus is increasingly on product quality, health, low calories and high nutritional content. More and more consumers are paying nowadays attention to the purity of products. (Drujinina 2005.)

Demand is increasingly targeted at more expensive and quality products (Spiridovitsh 2004b). On the other hand, the low-income group is still relatively large, so entrepreneurs must also be able to serve consumers with limited budgets. Low-priced stores are currently very popular (Kisseleva 2006).

When buying becomes a bigger part of the leisure time, visiting hypermarkets and shopping malls becomes more popular (Kisseleva 2006, 60). The most important reason for Russians shopping in Finland is the quality of products, the better selections and the lower price levels compared to Russia. Consumption, however, is strongly linked to the general economic outlook, which has at

present been less noticeable for Russian tourists, both in Russia and in Finland.
(Kurenoja 2013.)

4 RESEARCH METHOD

This study's methodological choices, data instruments, data collection and data analyses are explained in this chapter. Research questions are relate to frequency visits in Finland, factors impacting the choice of place for shopping, factors impacting the choice of products, changes in visits and shopping behavior compared to previous years. The impact of border regulations on shopping were also asked about.

4.1 Methodological choices

In order to meet the research objectives, a quantitative research method was chosen. In the tourism industry, quantitative research is the most commonly used method. In this study the aim was to get to know people's opinions and feelings on questions and statements on the matter. To get a representative sample of the population the method should be quantitative rather than qualitative. A qualitative study would concentrate more on personal stories and the reasons behind the opinion more than a quantitative study. Through the quantitative method the data can be more impersonal and generalizations can be made from the results. Often the sample size is extremely wide, but Brunt (1997) states that the quantitative method can be used with small numbers of people if the aim is not to make wide generalizations.

Questionnaires based on quantitative surveys are most commonly used in the tourism industry. In these the respondents answer questions about themselves and give opinions based on their points of view. The questionnaires are structured to be as simple as possible, and each respondent answers the same

questions and in the same way. The answers of respondents can be compared in a quantitative way.

There are two main types of questionnaire surveys: personal interviews and self-completion questionnaires. In the personal interviews there is an interviewer who asks questions and completes the questionnaire on behalf of the respondents. In the self-completion, the respondent completes the questionnaire personally. Both methods have advantages and disadvantages. (Brunt 1997.) In this survey the questioning was implemented by using an “on-site self-completion interview.” Respondents filled in the questionnaires by themselves and got instructions if they had problems with them. Many of the respondents also tried to bypass some questions, and as they were supervised, they were asked to fill in those skipped questions as well. There were also a few respondents who were personally interviewed because of poor eyesight or for other personal reasons.

4.2 Data collection instrument

The questions in this survey were simple, multiple-choice questions, and in addition to this there were three open-ended questions. The questionnaire is in Russian (Appendix 1) and in English (Appendix 2).

There are several advantages for a questionnaire: it saves time, human and financial resources since there is no need for interviewing people. In addition to these advantages, anonymity is greater in questionnaire surveys than e.g. in interviews. (Kumar 2005.)

In addition to the advantages there are also disadvantages in the questionnaire method: its application is limited, the response rate is low, there is a self-

selecting bias, there is a lack of opportunity to clarify issues, spontaneous responses are not allowed, a response to one question may be influenced by the response to another, a response cannot be supplemented with other information (Kumar 2005).

4.3 Data collection process

The destination under consideration is North Karelia and especially the Joensuu region. Respondents going outside North Karelia were excluded. The target group consisted mostly of women, but in this research there was a no interest in gender or ages. Almost every traveler in this sample was traveling in a vehicle (by a self-owned car).

The target group was therefore all tourists arriving to Finland, regardless of the length of the trip or the purpose of the journey. Most of the tourists announced their trip as a day trip to Joensuu. This is also the most common "passenger profile" in the daily border traffic at the Niirala border inspection post.

One-hundred interviews were received. The sample is sufficient because the results can be generalized as well. A smaller sample would not have allowed for generalizing the results of the research. A fairly large sample also increases the reliability of the survey, as it is also possible to gain more reliable results when the margin of error decreases (e.g., unanswered questions do not appear and thus distort the results of the research).

Before collecting the research material (carrying out the survey), the questionnaire was tested by four people. These people were shopping tourists in Joensuu. Preliminary testing sought to find out whether the questionnaire was easy to understand. Are the questions misunderstood? Since the questionnaire

was written in Russian, it was also important to inspect the language, possible typographical errors and the correctness of the grammar.

Pretesting is an important step in research, also in terms of research reliability. This is especially important when the subject of research is another culture. It is also important to understand the culture of the other country in addition to its language, as this questionnaire reaches the target group better and the material obtained is valid for analysis. For this reason, it is important to submit a questionnaire to people in the target group (in this case Russians on shopping trips).

The data collection location was selected as the border crossing point in Niirala. Niirala is located 72 kilometers southeast of Joensuu in the municipality of Tohmajärvi. In North Karelia, Niirala is the only international border crossing point for road traffic. It is the fourth heaviest border crossing point at the eastern border of Finland with over 1,000,000 annual crossings. Collection of the data was convenient to do during weekends when the traffic was plentiful. When there is a lot of traffic, there are also a lot of potential respondents, and eliciting responses would be efficient. The date for data collection was from November to December 2017.

According to the thesis, the average traveler in Niirala is an average Russian traveler going to North Karelia, travelling in their own vehicle. The most common gender is female, aged between 45 to 54 years and travelling with her family. There is also a husband and children often along for the trip. She comes from Petrozavodsk and her destination is Joensuu, where she intends to shop. She chooses the destination by evaluating shopping and relaxation possibilities and whether there is a safe ambience. She has travelled to Finland over ten times before, and this visit to Joensuu is not her first. She is on a day-trip and therefore does not need accommodation services during the visit. (Durchmann & Puhakka 2011.)

A typical Russian traveler considers that she gets the most information regarding the destination from her relatives and friends and trusts that information. She thinks that the price level in Joensuu is somewhat reasonable and she does not have to use money exchange services and therefore does not have an opinion of them. She is motivated to travel to North Karelia for shopping, to get a break from her routines and to relax. The average traveler is satisfied with shopping opportunities, spas, safety and with the clean nature. On the other hand, she considers that she is not getting customer service in her native language, which she considers to be important. The typical traveler is overall very satisfied with her trip and will revisit Finland in the future. She will also recommend her destination to her friends and relatives (Durchmann & Puhakka 2011).

4.4 Validity and reliability

Validity is the ability of an instrument to measure what it is designed to measure (Kumar 2005). The validity of the questionnaire can be considered good; the questionnaire was pretested, and the content of this questionnaire was approved.

The concept of reliability in relation to a research instrument has a similar meaning: if research is consistent and stable, and hence, predictable, it is said to be reliable (Kumar 2005). The reliability of the survey can be considered to be good as well, but the generalizations can be made only to this small population of tourists. Statistically the sample size is too small, and the survey is made only in one area which, has a significant effect on its reliability (Tuomi & Sarajärvi 2002; Hirsjärvi, Remes & Sajavaara 1997).

Apart from being reliable and valid, the research was conducted respecting the good ethics related to doing research work. The results of the research are

reported truthfully and accurately with the researcher being objective and sincere to the research. The research was conducted simply and systematically, following the basic guidelines of conducting of research. In this research scientific procedures have not been violated in the form of inadequate referencing, undermining the contribution of other researches, reckless or inadequate reporting of results, and all data is qualified. All observations made regarding the informants' behavior are real, and the respect towards their anonymity is maintained through the research. (Tuomi & Sarajärvi 2002.)

5 RESULTS

5.1 Frequency to visit Finland and Joensuu

The results show that 82 participants in the survey visit Finland about once a month or often. However, there were no daily visitors at all.

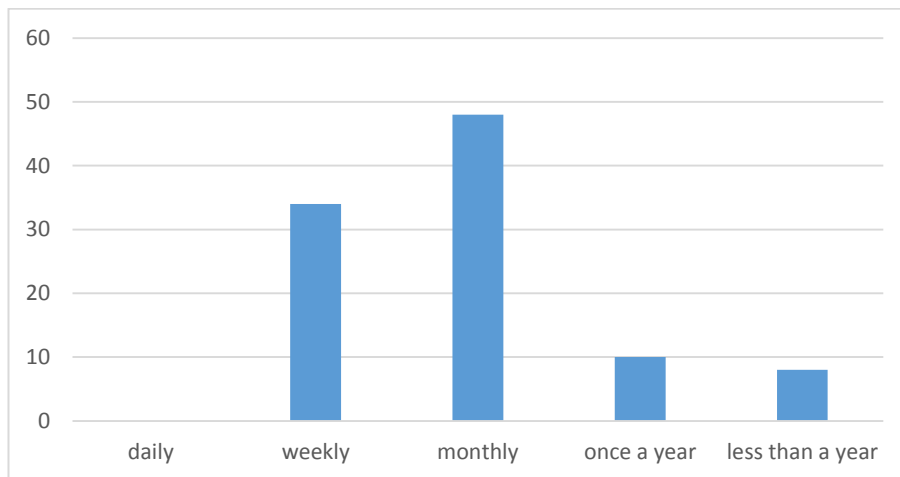


Figure 1. Frequency of traveling to Finland.

It was also interesting finding out that the number of tourists visiting Finland every year was a fairly representative number, 18. One reason for this might be the period of data collection. The collection date of the data was at the end of 2017, from November to December. Particularly at the end of the year there were also many first-time travelers arriving in Finland during the New Year or Christmas. These tourists live even far away from the border and thus do not come to Finland as often as tourists arriving from Karelia.

5.2 Factors impacting the choice of place for shopping

When assessing the purchasing behavior, attention has to be paid to the factors that influence the purchase decision. In this survey the interest is in an impact of the shopping site in the selection of the products. The criteria for choosing a place of purchase were location, range of products, price level, discounts, and quality of service, advertising, friends' recommendations, and Russian language.

According to the results, the three most important factors when choosing a shopping place are price level, discounts and range of products. The main reason is to possibility for discounts. Price is the most important criterion. Also, permanently low prices were considered as one important factor in decision making.

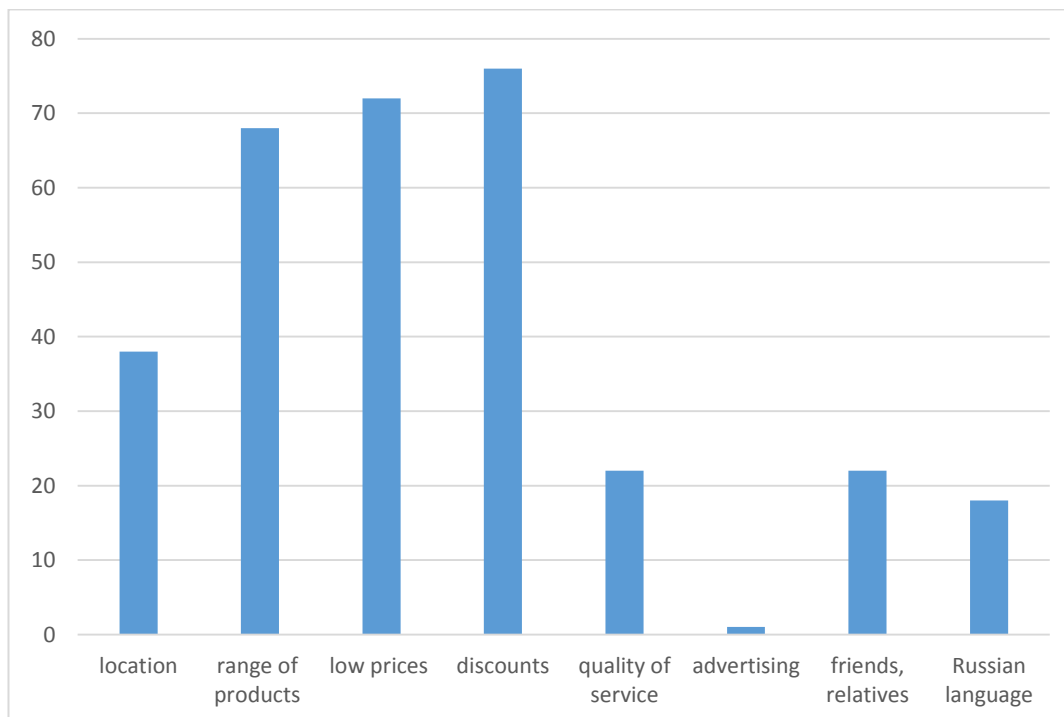


Figure 2. Factors impacting the choice of place for shopping.

Shop location was also highlighted. A Russian shopping traveler may also start shopping in local stores if the prices of products can be considered competitive and the range of products expanded. If a Russian arrives in Finland to buy food, then it is not necessary to travel further away if a closer shop provides a wide range of similar products and as cheaply as larger stores.

Friends, relatives and other recommendations were highlighted in many responses to the buying decision. Their share was almost the same as the Russian language. The result is interesting when compared to importance of advertising. Only one of the participants provided advertising as the main criterion for the purchasing. It can be concluded that Russian consumer is still signifying the significance of other recommendations instead of advertising. On the other hand, this can also be influenced by the fact that the advertisements of the products are not anymore available to such an extent upon arrival in Finland. Earlier, there were available advertising leaflets and the magazine *Pietarin Kauppatie* (St. Petersburg's trade route) at the border. Such promotional magazines are no longer available.

5.3 Factors impacting the choice of product

The content of shopping carts is seen in this survey as the most important aspect. The question set layout lists the most important daily foods, and respondents were asked to comment on what the factor/factors were (even if one criterion was asked about, many have indicated several criteria that affect the choice of food or consumer goods). The criteria are brand, quality, the service, the advertising, and why exactly these criteria, the selection of the criteria was a long reflection, and every criterion also included the idea of why it was selected for the survey.

The third criterion is to inquire about the aspect of healthiness. This is an interesting factor and in itself a topic of research. The question was to find out the extent which healthiness affects the choice of product. For example, is healthiness a factor that goes beyond even the price criteria? The general perception is that healthy food is often more expensive. The work therefore tries to compare health with other values.

The fourth criterion considered price, the clearest idea. The price is still the biggest influential factor on Russian shopping trips when selecting daily food purchases. With such an assumption, the interview was made. Does this mean that the Russian shopping traveler is considering buying a first purchase price or whether the price is determined by the other criteria? Is it just a ticking for food only as a price criterion, or is there any other criterion that has been influenced by the choice, and is it even possible that the price has not even been chosen as a deciding factor?

The fifth criterion was to inquire into the extent to which the service has influenced the choice of food. This criterion is bad because the service should be viewed as a whole and cannot be included separately in one food decision. In the responses, this issue came up. The service was chosen very rarely, which has had an impact on making a purchase decision.

Advertising is the last criterion. This question is well suited for mapping the purchase decision for an individual food and also includes the first criterion for the brand. It is important to explore the impact of advertising on shopping behavior. It gives references to how important it is to get information when making a selection decision. What was, however, reflected in the responses was that advertising was discarded. This was reflected in the responses that a few had highlighted the importance of advertising as a factor affecting shopping choice. This, on the other hand, also shows that advertising is no longer of great value to a shopping traveler if they are already brand-conscious and brand-loyal. Advertising should either highlight a new brand or product or try to

influence purchasing behavior. On the other hand, the answers give the impression that advertising has little effect on the purchase decision. Certainly, at least, the fact is that advertising rarely reaches Russian-speaking travelers because of the language. Likewise, Russians often get information about their products from friends and relatives.

The responses appear to be highlighted as the most important criteria that affect the quality and price of Russian purchasing decisions very equally. With regards to these two criteria, it is not possible to say which of the factors is more emphasized, since the responses to quality and price are equally important. "Does quality mean the same as Finnishness?" Finnish food is considered high quality, and many Russian tourists in Finland are also "favoring Finnishness." However, there are many products that compete alongside Finnish products. Does a Russian shopping traveler see such a product to be of high quality? Is high quality therefore seen as a subjective factor, which is affecting the purchase decision? How does a tourist make a decision whether the product is of high quality? Is there a Finnish flag logo in the product, and how is the product manufactured? When making a purchase decision, the price is bigger and more concrete than the quality.

What is particularly interesting in the responses, is that the third most important criterion was healthiness. Health was emphasized in all foods as the third most important feature. However, in hygiene products and detergents, was that health was not emphasized, but instead the brand was highlighted as the third most important criterion for choice. On one hand, this is understandable, as seldom are detergents or hygiene products evaluated on the basis of health criteria.

As expected, the responses also revealed that the brand was also highlighted as the third most important factor in purchasing both chocolate and cheeses. In these two products, especially in chocolate and sweets, healthiness was seen as expected as a secondary one. Marking the brand especially in these foods

shows that the most famous Finnish foodstuffs (chocolate and cheese) seem to be also popular with shoppers.

The responses also revealed that service and advertising were not considered as an important criteria for the purchase decision. Both effects were very low in all food and consumer products. Consequently, services are, for example, secondary in decision making. On one other hand, people may be willing to pay for good service. Advertising was seen as important but not as important as could have been expected. However, advertising affects people's buying decisions, for example, brand awareness. However, in this sample, it can be generalized that service and advertising were secondary to purchase decision, price and quality, as well as the wholesomeness and the brand being launched by the primary criteria.

This chapter concentrates on changes in shopping behavior during recent years. This mapping aims at finding out the extent which exchange rate fluctuations and sanctions have influenced the shopping behavior of Russians in Finland. It can be assumed that these factors have reduced the number of shopping trips in 2016. This topic will be analyze together with changes in a shopping carts during the recent years.

5.4. Changes in visits to Finland

Russian travel to Finland has not changed significantly compared to 2016. More than half of the respondents reported that their frequency of traveling to Finland has not changed. This indicates that the fluctuation of the ruble has not directly affected the travel. Tourism has been a hobby despite the exchange rate fluctuating. One reason might be that during the period 2016 the exchange rate fluctuations have not been significant.

Only five respondents reported an increase in 2017. The reason for the growth was reported as "high quality goods." The responses show that tourism has declined since 2016, but the reduction is not as significant as could have been expected. Twenty-four respondents reported that their visits in Finland declined in 2017 compared to 2016. This is a significant result. The reasons for the decline in tourism include, among other things, the weakening of the ruble and the deterioration of income levels.

Participants wrote similar reasons if there have been changes in visits compared to the last year. "The rise of the euro rate.", "The visa is over, you have to travel to St. Petersburg to renew the visa.", "Exchange rate growth.", "I do not travel often in this country.", "Increasing the exchange rate.", "Exchange rate changes.", "The family's income has declined.", "Reducing revenue."

5.5 Changes in shopping cart

Most of the respondents informed that the cart has remained the same in 2016 and 2017. Only twelve respondents reported changes in the content of the shopping cart. Reasons for changes include the following comments.

"The number of purchases has decreased.", "The number of purchases has increased.", "The taste has changed.", "My income has decreased and the exchange rate has deteriorated simultaneously.", "I've moved to purchasing clothes instead of food." and "Less money."

The fluctuation and deterioration of the ruble has somewhat affected the content of the shopping cart, in particular as the number of purchases is reported to have decreased. An interesting observation, which also appeared in some of the responses, was related to changes in purchasing behavior in daily foods.

The answers emphasized, for example, the increase in the share of fruit in the shopping cart.

5.6 Impact of border regulations on shopping

Day-to-day travelers are increasingly subject to limits and customs regulations compared to occasional travelers, as they are often exporting foodstuffs, and foodstuffs often have many customs restrictions in Finland and Russia. Both countries have their own constraints, which, on one hand, are in many respects united, but there are many national limitations. Limitations are in food classification as well as in weight limits and shopping values. This could be thought to have an impact on the Russian shopping traveler, especially in the sense that Russians often buy food not only for themselves and their family but also for their relatives and neighbors.

Over 80% of the respondents felt that customs and border formalities had not had an impact on their purchasing of daily foodstuffs. However, 18 respondents reported that customs and border formalities have influenced their purchasing decisions in the purchasing of foodstuffs in Finland. The responses showed that just the kilograms of food are the main reasons for the restrictive perceptions. For example, it was stated that a total of five kilograms of cheese, meat and dairy products can be imported.

6 SUMMARY

The topic of this thesis was Russian shopping tourism to Finland in recent years. The purpose of this thesis was to find out how the tourism and shopping behavior of Russian tourists have changed over the past years in Eastern Finland, especially in the Joensuu Region.

The survey was carried out 2017 and aimed at finding out about changes in the number of travelers and shopping behavior compared to the previous year, 2016. The timing for carrying out the research is important since the geopolitical events of 2014 have also had a major impact on the decline in Russian tourism after the record year of 2013. The number of Russian tourists has begun to grow slowly again. The interest was find out by interviewing changes before and after 2016 in traveling and shopping behavior. The survey wanted to pay particular attention to the content of the shopping cart and changes in it, as well as factors affecting purchase decisions.

The research consisted of three elements: changes in border crossings, changes in shopping behavior, and the role of border and custom formalities. The focus of the study was on shopping behavior and on factors influencing the purchase decisions. The main aim was to find out changes in shopping behavior based on the content of the shopping cart. The purpose of the implemented survey was to find out about the criteria that affected the Russian purchasing decisions regarding daily food products. In addition, the aim was to briefly describe how Russian shopping tourists see customs and border formalities today.

The Russian traveler is very loyal to their product choices, but on the other hand, product awareness seems to have increased among Russian shopping

tourists. Consumption habits do not change quickly, which is very characteristic for most consumers regardless of culture. The results revealed that three of the key features were ranked as major criteria. Quality often came before price and discounts. This shows that even in consumption goods, quality is seen as more significant than price.

The third factor was healthiness. This indicates fact that Russians emphasize healthiness as one of the important factors influencing the purchase decision. Surprisingly, advertising and recommendations from friends and relatives was not considered as important criteria in the selection of products. This is an important notice in the sense that Russians often exchange information face to face.

Similarly, service was not considered a major factor in the purchase decision. This is interesting as it is often said that the Russian tourist appreciates service, among other things, receiving service in his/her own language. However, when filling a shopping cart, the quality of service is considered secondary. The service is more emphasized in purchasing luxury products. On the other hand, Russians may not have been accustomed in their own country to receiving service at food stores.

Customs and border regulations did not affect their shopping trips. This is an interesting result and it shows that many travelers have adapted to the existence of regulations.

As a conclusion of the results of the research, it can be stated that at least the Russian shopping tourism in Finland has not been impeded by any economic obstacles. Tourism has remained unchanged. Daily groceries are purchased regardless of the economic situation. Today, the Russian traveler is already very product-conscious and appreciates quality. Quality is seen on the other

hand as brand awareness and in healthiness. Quality and healthiness were seen as the most significant criteria in the decision making.

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Questionnaire in Russian

Это обследование предназначено для развития услуг для российских туристов в регионе Йёнсуу. Спасибо за ваше время и поддержку!

1. Как часто вы посещаете

ежедневно	
еженедельно	
ежемесячно	
ежегодно	
реже	

**в
Финлянд
ию?**

2. Каковы наиболее важные факторы при выборе места для покупок? Выберите три наиболее важные причины.

расположение	
широкий ассортимент продукции	
низкий уровень цен	
скидки	
качество обслуживания	
реклама	
рекомендации других	
русский язык	

3. Опишите наиболее важный фактор при выборе продуктов.

продукт	бренд	качество	здоровье	цена	обслуживание	реклама
мясо и рыба						
хлеб						
сыр и другие молочные продукты						
соки						
замороженные продукты						
консервы						
продукт готов к употреблению						
фрукты, овощи						
шоколад и карамель						
средства гигиены						
моющие средства						

4. По сравнению с 2016 годом ваши визиты в Финляндию 1) вырос, 2) уменьшилось), 3) стал на одном уровне. Если в ходе ваших посещений произошли изменения по сравнению с прошлым годом, сообщите, пожалуйста, основную причину этого.

5. По сравнению с 2016 годом ваша корзина покупок остается 1) такой же 2) изменено
Если в вашей корзине были внесены изменения, опишите основные изменения.

6. Применимы ли таможенные и пограничные правила (например, ограничения на экспорт продуктов питания) на ваши решения о покупке? 1) да 2) нет. Если да, пожалуйста, опишите последствия?

Спасибо за ваш ответ!

Questionnaire in English

This questionnaire is designed to develop services for Russian customers in Joensuu region. Thank you for your time and support!

1. How often do you visit
Finland?

Daily	
Weekly	
Monthly	
Annually	
Less	

2. What are the most important factors when choosing place for shopping? Choose three most important reasons.

Location	
Wide product range	
Low price level	
Discounts	
Quality of service	
Advertising	
Recommendations from others	
Russian language	

3. Describe the most important factor when choosing products.

Product	Brand	Quality	Healthiness	Price	Advertisement	Service
Meat and fish						
Bread						
Cheese and other milk products						
Juice and soft drinks						
Frozen products						
Canned food						
Ready to eat-food						
Fruits, vegetables						
Chocolate and candies						
Hygiene products						
Detergents						

4. Compared to year 2016 your visits Finland have

1) increased, 2) decreased, 3) been at the same level

If there have been changes in your visits compared to last year, please tell the main reason for it

5. Compared to year 2016 your purchasing basket has remain

1) the same, 2) changed

If there have been changes in your purchasing basket, please describe the main changes

6. Have the custom and border regulations (such as restrictions on food exports) affected your purchasing decisions? Yes No

If yes, please describe the impacts?

Thank you for your answer!

Most important factors when choosing a product in different categories