INTERNATIONAL VISITOR SURVEY ON NATIONAL LEVEL

Final Report

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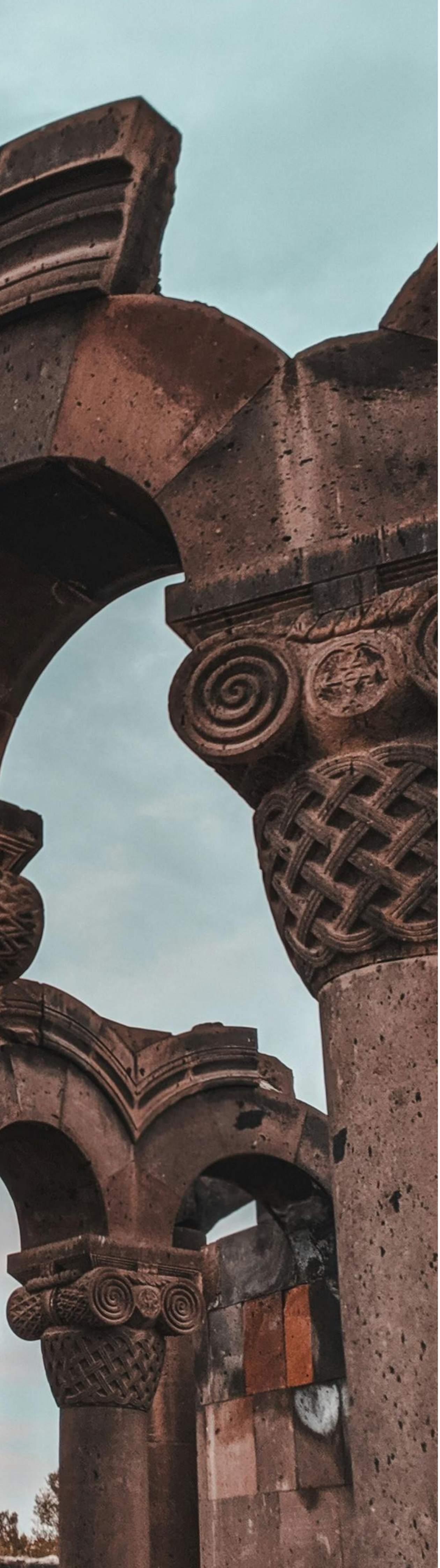

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ACRONYMS

ATDF	Armenian Territorial Development Fund
CA	Contracting Authority
CAPI	Computer Assisted Personal Interviewing
CBA	Central Bank of Armenia
EU	European Union
GDP	Gross Domestic Product
IDA	International Development Association
IRTS	International Recommendations for Tourism Statistics
IVS	International Visitor Survey
LEID	Local Economy and Infrastructure Development
MICE	Meetings, Incentives, Conferences, and Exhibitions
NSS	National Statistical Service
RA	Republic of Armenia
TC	Tourism Committee
TTDI	Travel & Tourism Development Index
UAE	United Arab Emirates
UK	United Kingdom
UNWTO	United Nations World Tourism Organization
USA	United States of America
VFR	Visit friends or relatives
WTO	World Trade Organization

EXECUTIVE SUMMARY

PURPOSE

The 2023 International Visitor Survey (IVS) for Armenia has been implemented by the initiative of the Tourism Committee in collaboration with the Statistical Committee and the Central Bank of Armenia, as part of the World Bank's Local Economy and Infrastructure Development (LEID) Project. The primary purpose of the 2023 IVS was to gather comprehensive visitor data over a full year, providing both the public and private sectors of the tourism industry with detailed profiles of inbound and outbound visitors. This information includes geographical distribution, travel purposes, demographics, travel arrangements, and expenditure patterns. The survey aimed to inform strategic and operational decisions in the tourism sector.

Interviews have been conducted at four Armenia’s land border crossing points and two international airports. The methodology and questionnaires have been defined and further revised by international experts before the survey's commencement. The survey focused on two main aspects: collecting detailed data for developing comprehensive profiles of international tourists and analyzing the economic components of tourism and its impact on Armenia's economy.

IVS results are intended to enhance national tourism statistics, providing a thorough analysis of key target markets, consumer preferences, spending behaviors, and existing and potential tourism products. This information will serve as a valuable tool for the Tourism Committee to refine the National Tourism Strategy and its Action Plan, as well as to improve marketing and promotion policies. By focusing on the demand side of tourism and considering only international tourism (inbound and outbound), the survey aims to provide a focused and actionable dataset for decision-makers in Armenia's tourism sector.

CONTEXT

Armenia has experienced significant growth in tourism over the past decade, with an annual growth rate of 12% from 2010 to 2019. In 2023, the country reached a record-breaking 2 million visitors, marking a 40% increase from 2022 and a 22% increase from 2019. This growth has contributed to the tourism sector's increased share of GDP, rising from 12.6% in 2019 to 13.2% in 2023, with projections suggesting a further increase to 13.4% in 2024. Employment in the tourism sector has also seen a rise, from 12.8% of total jobs in 2019 to 14.8% in 2023, with an expected increase to 15% in 2024.

Despite these achievements, Armenia's ranking in the World Economic Forum's 2024 Travel & Tourism Development Index (TTDI) has dropped to 72nd out of 119 countries, a decline of 9 places since 2021. This drop is primarily due to decreases in the "policy and enabling conditions" and "sustainability" dimensions, which fell by 6% and 5%, respectively. On the other side, there were improvements in the "infrastructure and services" dimension, which saw a 6% increase.

Armenia's accommodation capacity has grown steadily, with a 44% increase in rooms since 2012. Over 56% of accommodation establishments are located in Yerevan, indicating a need for regional development. The Tourism Committee of Armenia has been actively promoting the country as a year-round destination through various marketing activities. These include participation in international exhibitions, collaborations with global media, and digital campaigns.

MAIN FINDINGS AND RECOMMENDATIONS

Changes in visitor profiles

The majority of international visitors to Armenia in 2023 were relatively young, with 63% under the age of 44. The 35-44 age group was the largest segment, representing 29% of arrivals. Armenia should tailor its tourism offerings to appeal to younger and middle-aged travelers. This would include: Adventure tourism experiences; Cultural immersion programs; Tech-enabled city tours and interactive museum exhibits; Sustainable and eco-friendly tourism options, which often appeal to younger travelers.

Men predominantly traveled for business and employment, while women were more likely to travel for education and health treatment. As well, the survey showed the concentration in gender distribution in specific source markets, that would allow to develop targeted programs, like Adventure and business tourism offerings for male visitors from Iran and the UAE, also maintaining specific attention to female visitors.

35% of visitors had Armenian ancestry, with a significant decrease from 66% in 2013. This segment remains important, as it serves as a vital conduit for the dissemination of Armenian culture and knowledge on a global scale, thereby safeguarding the ancestral roots. Around 63% of these visitors come to visit friends and relatives, have an overall staying in the country longer that other visitors' average (around 20 nights), and mostly (76.2%) use non-spending accommodations. Armenia should develop specific strategies to engage 3rd and 4th generation Armenians, even when they have not direct relatives or friends in the country. Targeted campaigns will include: Heritage tourism products; "Roots" tourism programs; leveraging diaspora networks for tourism promotion in their countries of residence.

Diversification on source markets and tourism purpose

In the overall perspective, Armenia should increase its international ranking about openness to travel and tourism, which currently is quite low: according to Travel & Tourism Development Index 2024, the country ranks 87th, with low scores in terms of open visa policy and passport mobility. Russia remained the dominant source market, accounting for 51% of arrivals, followed by Georgia (16%), Iran (7%), and the UAE and USA (3% each). The Russian market grew by 5% since 2013, while arrivals from Georgia decreased by 10%. Armenia's heavy reliance on Russia presents both an opportunity and a risk. While continuing to capitalize on this market, by developing strategic promotions and value-added services, Armenia should also focus on developing emerging markets such as the USA, the UAE, and France, which have shown significant growth, as well as Germany and Italy, that recently established direct flights to Armenia. In particular, such emerging markets show a specific interest for cultural and historical heritage, and should be addressed by targeted programs that highlight the great attractiveness of Armenia to that respect.

"Holidays and Leisure" was the main purpose for 43% of visitors, a significant increase from 14% in 2013. This trend is positive for Armenia's tourism industry, as leisure tourists typically spend more than those visiting friends and relatives (VFR), which accounted for 30% of arrivals. Armenia must capitalize on the growing trend of leisure tourism by enhancing leisure offerings and marketing efforts. Among leisure tourists, nature/sightseeing is the top motivation for choosing Armenia (36.1%), followed by historical/cultural heritage (29.6%) and gastro-tourism (11.7%), mainly among top European markets. The development of this segment would also promote off-season attractions and events to extend the tourism season, as data collected shows a tourism concentration in the central quarters of the year. Armenia should develop niche tourism products such as wine tourism, adventure tourism, and wellness tourism and creating itineraries that combine Armenia's diverse attractions.

On the other side, the data shows a decline in business travel from 12.2% in 2013 to 5.9% in 2023. To reverse this trend, a strong brand promotion of Armenia must be developed, assuming that Armenia has the potential to become a hub for Meetings, Incentives, Conferences, and Exhibitions (MICE). Investments should include modern conference and exhibition centers in key cities, high-quality business hotels with advanced technological capabilities, efficient transportation links between business districts and tourist attractions, partnerships with international business organizations to host events and conferences in Armenia.

Evolution of visitor behavior

The average length of stay was 15.3 nights, with significant variations depending on the type of accommodation and purpose of visit. It is worth noting that a significant proportion of visitors (55.7%) recorded a stay of five nights or fewer, and 76% of visitors remained for a duration ranging up to ten nights. Armenia still relies mostly on visitors' presences in Yerevan, and should insist developing and promoting multi-destination itineraries, by the creation of thematic routes also (e.g. wine routes, hiking trails), to give visitors more reasons to stay longer. Moreover, promoting lesser-known regions can distribute tourism benefits and alleviate pressure on Yerevan.

The utilization of package tours to visit Armenia is still limited: only 5.4% of visitors arrived in the framework of package tours, with the highest utilization from the UAE (34%), Germany (13%), and the UK/USA (10% each). Considering the higher spending capacity of the visitors using travel packages (US$ 193 vs US$ 48), the objective remains to enhance this utilization, improving targeting emerging markets like China and Southeast Asia, which have shown growth potential in similar economies, and promoting tailored marketing campaigns for key European and Middle Eastern markets.

42.5% of independent visitors stay with family/friends, while 37% use hotels/hostels. While it is mostly due to visitors having their roots in Armenia, the promotion of homestays and community-based tourism initiatives would benefit a segment in any case oriented to these typologies of accommodation. Moreover, as digital nomadism represents a growing segment that can drive long-term economic benefits through extended stays, Armenia should invest in suitable infrastructure (reliable internet, coworking spaces) and policies (visa flexibility) to cater to this growing segment.

Country Competitiveness

The overall satisfaction with quality of services is high, particularly with respect to sightseeing attractions (96%) and food quality (94.8%). The road quality received the lowest satisfaction (64.4%). As well, the likelihood of visitors returning to Armenia in the future is very high. With respect to the price of services, again, touristic attractions and related services have been highly appreciated by around 90% of visitors, while accommodation and food have seen the appreciation of around 73% of respondents. On the other side, and also considering the strong potentiality of its attractions, there is a strong need to improve Armenia's management capacity of natural and cultural resources: the country is ranked at 110th and 86th position respectively in the Travel & Tourism Development Index 2024 in this respect. Areas for improvement must be followed carefully, as they constitute a way to measure the benchmarking with respect to other countries. About investments, the aim is the improvement of current ranking of 84th country in terms of infrastructure and services. Prioritizing roads and transportation to tourism related attractions will improve accessibility and enhance the visitor experience; about quality of services, national training programs can elevate hospitality services to meet international standards.

Following best practices from other developing economies, Armenia should focus on sustainable tourism development, investing in responsible tourism management in order to attract target segments more sensible to these practices, like Northern European and USA tourists. According to TTDI, the country ranks 91th for environmental policies, and 99th for nature preservation actions. Maintaining and enhancing safety standards for tourists, Armenia should implement eco-certification programs for tourism businesses and develop sustainable practices in tourism operations, that will help preserve Armenia's natural and cultural assets while improving visitor experiences. Investing in eco-friendly accommodations and facilities is essential to cater to the growing segment of eco-conscious travelers.

Concerning the visitor expenditure in Armenia, it must be noted that the average daily expenditure is relatively low, at approximately US$ 51.9, particularly among non-package tourists. The IVS identified leisure tourists as the highest spenders, yet their short stays limit potential revenue;

thus, extending their visit duration is recommended. It also notes that a mere 5.4% of visitors utilize package tours, which offer significantly higher daily expenditures, suggesting that enhancing package offerings could attract more high-value travelers. Finally, the IVS points out the limited availability of high-end tourism products and the concentration of visitors in Yerevan, which restricts tourism offering and regional distribution of spending. To address these issues, the report recommends developing diverse, premium tourism experiences, improving marketing strategies to target affluent markets, and enhancing infrastructure outside Yerevan to promote regional dispersal and longer stays.

Marketing Strategies

Armenia is largely under the country averages in all indicators concerning Tourism resources dimensions upon TTDI, like number of World Heritage sites, number of protected areas and/or eco-regions, web searches on cultural and natural products. It needs a knowledge promotion approach tailored to various travel niches, encompassing adventure, cultural exploration, and gastronomic experiences. The dominant information source on the knowledge of Armenian among visitors remains word-of-mouth (42.8%), but survey shows a growing importance of social media (12.1%) and online research (10.6%). In particular, social media platforms hold a greater prominence, compared to conventional websites. Influencer marketing, social media engagement, immersive content creation, personalized experiences, and blogging have emerged as pivotal strategies for tourism promotion.

Investing in digital infrastructure is crucial for modernizing Armenia's tourism sector. Developing a comprehensive digital tourism platform that provides information, booking services, and virtual experiences can enhance visitor engagement. Implementing mobile apps for tourists and data analytics capabilities to understand visitor behavior are also recommended: utilizing platforms like Instagram, Facebook, and TikTok to showcase Armenia's unique attractions through high-quality visuals will encourage user-generated content by launching hashtag campaigns where tourists can share their experiences, thus reaching a broader audience through authentic testimonials.

Armenian tourism authorities must partner with travel influencers who have a significant following in target markets such as the USA, Germany, and France. Influencers can create engaging content that highlights Armenia's cultural and natural attractions, thereby increasing visibility and interest among their followers. Professionals can create interactive content such as quizzes, polls, and stories that engage potential tourists and provide them with personalized travel suggestions. This approach can make the planning process more engaging and increase the likelihood of converting interest into bookings.

Virtual Reality (VR) and Augmented Reality (AR) Experiences can be developed to allow potential visitors to explore Armenian landmarks and attractions virtually. This immersive technology can entice travelers by giving them a taste of what they can experience in person. It can be tailored to reach specific demographics identified in the IVS 2023, such as younger travelers under 44 years old, and enriched by the contribution of direct experiences of actual visitors, for instance people that visited Armenia for the first time and would transmit their first-hand impressions and suggestions.

1 INTRO-DUCTION

1. INTRODUCTION

1.1. BACKGROUND

Tourism is acknowledged worldwide as a key instrument for economic development, employment creation, as well as wealth creation. In Armenia, tourism stands out as one of the strongest potential drivers of inclusive economic and social growth. This is one of the principles of the state policy stipulated by the law of the Republic of Armenia on Tourism and Tourist Activities. The overall goal of state policy in tourism is to increase its contribution to the sustainable development of the national economy and equal territorial economic growth while at the same time alleviating poverty through[1]:

- sustaining high levels of growth in the number of inbound and domestic tourists,
- increasing tourism generated income through offering higher value products and services,
- creating new job opportunities in the sector.

Owing to the importance of tourism as a social, cultural and economic phenomenon and the wide spectrum of stakeholders involved, the need for a strong knowledge of the development and trends of this sector is paramount. In recent years, many countries around the world have increased investments in the tourism industry as a way of boosting their local economies. Statistical research represents, in this sense, an essential element to guide policymakers in their decision-making. Building more reliable and accurate statistics is a fundamental step in evaluating the needs and characteristics of tourism for improving policies and designing marketing and management strategies. To that end, in the last two decades UN Tourism (formerly the United Nations World Tourism Organization – UNWTO) has been developing successive sets of international recommendations, of which the *International Recommendations for Tourism Statistics 2008* (IRTS 2008) represents the milestone. They provide an internally consistent analytic system together with general guidance with respect to data sources and compilation methods, on the basis of which countries are encouraged to develop their statistics.

On this basis, the first Armenian International Visitors Survey (IVS) of departing foreign visitors and arriving Armenian visitors was conducted in the period of September 2006 - August 2007[2]. The survey questionnaires and methodologies were approved by the state board of the RA National Statistical Service (NSS). Interviews were conducted at Zvartnots Airport in Yerevan, at the airport in Gyumri and at the border crossing points of Bagratashen, Bavra, Gogavan, Ayrum and Meghri. Questionnaires were collected, checked, coded and tabulated by the NSS. A random sampling methodology was applied to the survey, with approximately 3% of all arriving and departing travelers interviewed. The survey and methodology were targeted at “tourists” as defined by UN Tourism, although in this instance, due to purely statistical objectives (for the “travel” article of Balance of Payments), the data collected also included those travelling for employment[3].

In the period of January-December 2013 a new IVS for Armenia was conducted[4]. Interviews were conducted with departing and arriving visitors at four land border points (Bagratashen, Meghri, Ayrum, Bavra), as well as at the Gyumri Shirak and Yerevan Zvartnots International Airports. A random sampling methodology was applied to the survey, with approximately 1.5% of all arriving and departing travelers interviewed. Non-residents visiting Armenia were interviewed upon departure, and Armenian residents travelling abroad were prompted when returning from their trips. The size of inbound survey sample comprised 23,658, of which 10,448 were valid interviews with non-resident respondents. Similarly, the size of the outbound survey comprised 22,100, of which 9,628 were valid interviews with Armenian respondents.

[1] https://www.mineconomy.am/en/page/89
[2] https://pdf.usaid.gov/pdf_docs/PNAEA723.pdf
[3] In the present report, the word “visitor” is used to identify the inbound and outbound travelers who satisfied the questionnaires criteria; the word “tourist” identifies those among visitors who traveled per “holidays and Leisure” purposes only.
[4] https://armstat.am/file/article/rep_mig_2013_e.pdf.pdf

1.2. PURPOSE AND OBJECTIVES

Building on the two previous IVS carried out in 2006-2007 and 2013-2014 a new International Visitor Survey has been implemented by the Tourism Committee (TC) in close cooperation with the Statistical Committee (SC) and the Central Bank of Armenia (CBA). It is carried out in the framework of the World Bank's Local Economy and Infrastructure Development (LEID) Project, which is expected to result in higher economic growth and employment in the selected regions. LEID Project activities intend to focus on improving the quality and reliability of municipal infrastructure; supporting tourism development; and creating an enabling environment to attract private sector investments.

The purpose of the survey was "**to collect profound tourist data for a full year to provide the tourism industry**, both private and public sectors, with a detailed profile of inbound and outbound tourists (*in particular, reliable information on visitors arriving to and departing from Armenia that characterize tourists in terms of geographical distribution, purpose of travel, gender and age, types of organization of travel, and structure of expenditures*), to base strategic and operational decisions on"[5]. The survey followed a similar approach to the previous ones, with interviews to departing and arriving travelers taken at four land border crossing points (Bagratashen, Ayrum, Bavra, Meghri), and at Gyumri and Yerevan international airports, using revised methodology and questionnaires.

As required by the Terms of Reference, the survey aims to increase the level of national statistics on tourism, providing a comprehensive analysis of main target markets, clustered consumer preferences, spending behavior, existing and potential products accompanied by comparisons with 2013 results, to serve as a tool for TC to continue the enhancement of the National Tourism Strategy and its Action Plan, as well as marketing and promotion policies. It focuses specifically on two main aspects:

- the collection of profound data for the development of a detailed and reliable profile of international tourists and their main socio-demographic characteristics (such as age and gender, geographical distribution, purpose of travel, preferences and satisfaction levels, travel patterns, etc.), in order to provide a meaningful insight for future planning, products/markets development and policy making;
- an accurate analysis of the economic components of the tourism phenomenon and its impact on the general conditions of the country, through the study of the expenditure structure and spending behavior of visitors.

From an economic perspective, due to the objectives and characteristics of the project in terms of target groups and sampling locations, the survey took into consideration only the demand-side of tourism, leaving aside the supply-side. For the same reasons, it focused only on the category of international tourism (identified as the sum of inbound and outbound tourism), leaving aside all the portions of tourism defined as domestic (within the country).

1.3. OVERVIEW OF TOURISM INDUSTRY IN ARMENIA

Armenia has made significant accomplishments as an **upper middle-income country** over the past two decades. Achieving this status in 2019, it subsequently transitioned into an International Development Association (IDA) donor in 2023, with its gross national income per capita (Atlas method) reaching US$5,960 in 2022.[6]

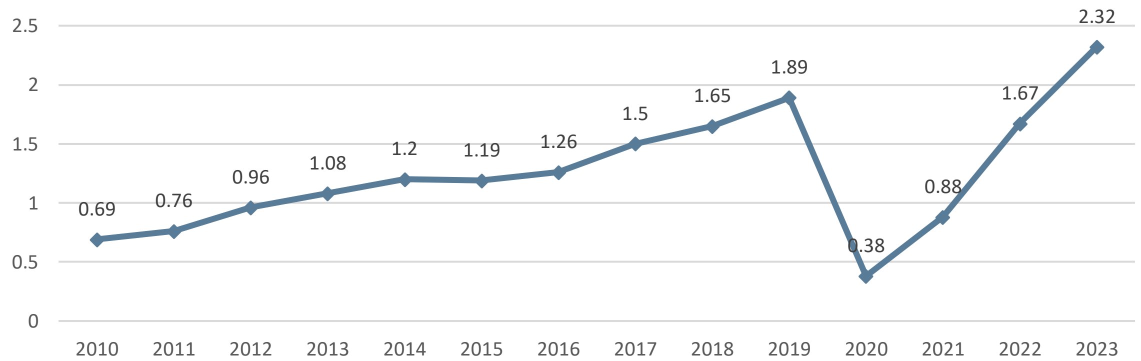
In the Armenian economy, tourism has been a pivotal sector since the 1990s, when annual tourist arrivals exceeded half a million for the first time, primarily fueled by the return visits of Armenians from the Diaspora. This surge marked the beginning of a steady growth in tourism, which has continued to expand and diversify, attracting a broader range of international visitors and contributing significantly to the country's economic development. In particular, from 2010 to 2019, Armenia experienced an **annual tourism growth rate** of

[5] Terms of Reference for International Visitor Survey on National Level. page 1

[6] Statistical Committee of RA, Social snapshot and poverty in Armenia, 2023. https://armstat.am/file/article/poverty_2023_a_2.pdf

approximately 12%, reaching to the record amount of almost 1.9 million inbound tourists and ranking 12th in the list of 20 world's fastest-growing tourist destinations[7]. However, the COVID-19 pandemic and regional geopolitical tensions in 2020 abruptly halted this upward trend, resulting in the lowest number of international tourists since 2005. Despite a notable increase in visitors in 2021, the numbers remained below pre-pandemic levels. Limited recovery occurred in 2022, with Armenia welcoming 1.67 million international tourists, partly due to an influx of Russian travelers following the Ukraine conflict. However, the real boom has been witnessed in 2023, when the country reached a record-breaking 2 million visitors for the first time in its history, a 40% increase compared to 2022, and about 22% compared to 2019, finally marking a strong recovery from the COVID-19 pandemic and the end of a challenging period[8]. This achievement earned Armenia the 14th position among the best-performing destinations in 2023 in UN Tourism's ranking based on the percentage change in international tourist arrivals compared to 2019[9].

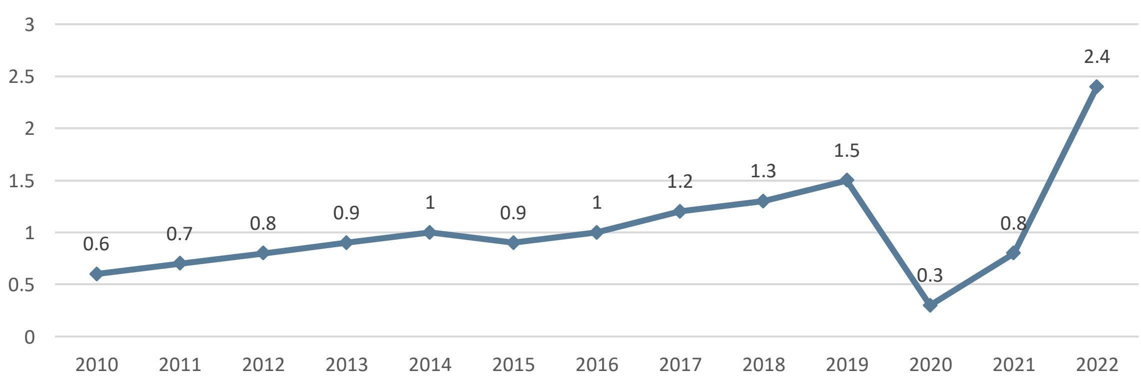
Chart 1: Number of Inbound Visitors (millions)



Source: Statistical Committee of the RA. The social-economic situation in the RA. 2011-2023;
Tourism Committee. Activity Report 2023

Furthermore, **Armenia's tourism receipts** have shown a corresponding upward trajectory, aligning with the increase in visitor numbers. The country's tourism revenue saw significant growth during the pre-pandemic period, driven by the opening of new target markets and increased tourism infrastructure investments. From 2010 to 2019, tourism receipts grew on average by about 10% per year, reaching approximately $1.5 billion US$ and reflecting the large economic impact of the sector on Armenia's GDP. Despite the setbacks of the COVID-19 pandemic in 2020, including reduced visitor spending and lower occupancy rates in hospitality services, Armenia's tourism receipts began to rebound as visitor numbers recovered in 2021 and 2022, far exceeding pre-pandemic levels. A remarkable increase in international tourism receipts in 2022-2023 compared to 2019 earned Armenia the 5th position in the UN Tourism's Best-Performing Destinations ranking[10].

Chart 2: International Tourism Receipts (US$ Billions)



Source: UN Tourism Data Dashboard

[7] https://armenpress.am/en/article/1003584

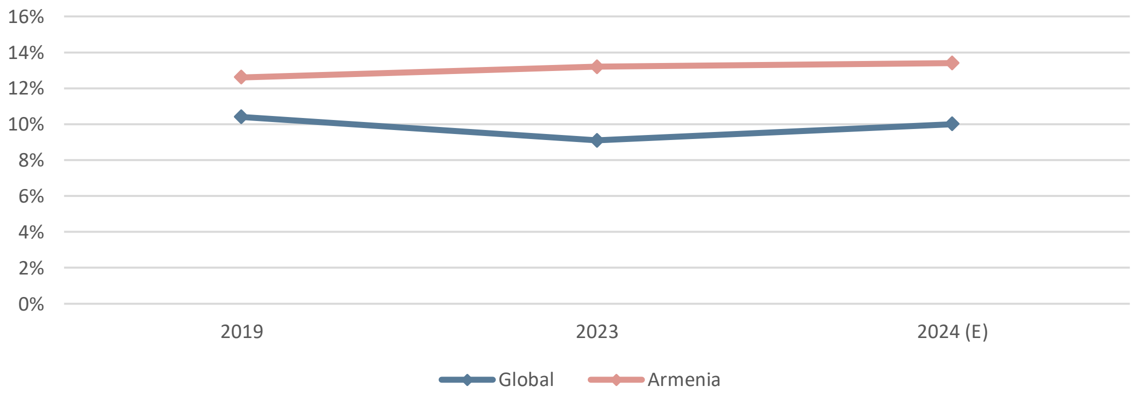
[8] https://www.primeminister.am/en/press-release/item/2024/06/05/Nikol-Pashinyan-Report/

[9] UN Tourism, World Tourism Barometer, Volume 22, Issue 2, May 2024

[10] UN Tourism, World Tourism Barometer, Volume 22, Issue 2, May 2024

Examining the **economic impact of the travel and tourism sector** on the nation's economy, Armenia appears to have shown a notable upward trend in the last few years, especially if compared to the less favorable global data. In 2019, the sector accounted totally[11] for 12.6% of Armenia's GDP. By 2023, this contribution had risen to 13.2%, representing a substantial 29.4% increase compared to 2019, against a global -4,1%. The estimated figure for 2024 suggests a further increase to 13.4%, continuing its upward trajectory with 4.9% annual growth. In contrast, the global average is projected to recover to 10.0%, a 7.5% increase from 2019 but still lower than Armenia's rate of increase. Overall, from 2019 to 2024, Armenia's Travel &Tourism sector is expected to grow by 35.7%, significantly outpacing the global growth rate of 7.5%[12].

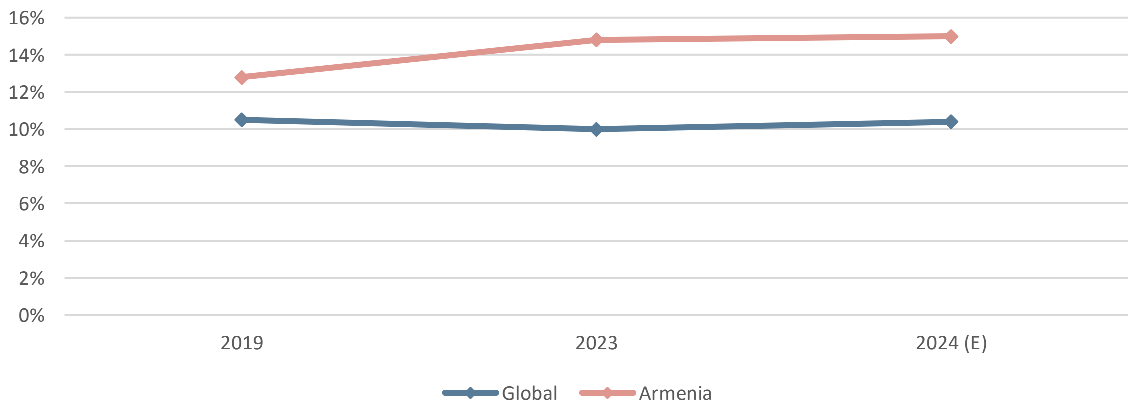
Chart 3: Total GDP Contribution



Source: World Travel & Tourism Council

Likewise, when examining the **contribution of the travel and tourism sector to the country's employment**, Armenia exhibits a very similar positive trend. In 2019, travel and tourism[13] accounted for 12.8% of total jobs in Armenia, higher than the global average of 10.5%. By 2023, this share had increased to 14.8% in Armenia, reflecting a substantial 28.1% increase since 2019. In contrast, the global share of jobs in the travel and tourism sector decreased to 10.0% in 2023, marking a 1.4% decline from 2019. Looking ahead to 2024, the sector's share of total jobs in Armenia is estimated to reach 15.0%, continuing its upward trend with a 2.3% annual growth rate. Globally, the share is expected to recover slightly to 10.4%, a 4.1% increase from 2019 but still lower than the growth observed in Armenia. Overall, from 2019 to 2024, Armenia's employment in the travel and tourism sector is projected to grow by 31.1%, significantly outpacing the global increase of 4.1%.

Chart 4: Total Employment Contribution



Source: World Travel & Tourism Council

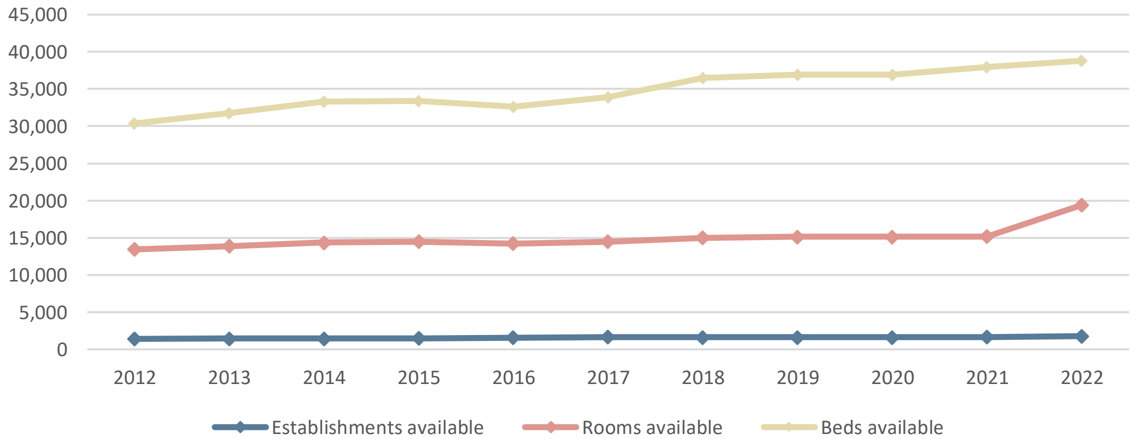
[11] In this case, the total contribution of the travel & tourism sector is considered, which includes its direct, indirect, and induced impacts on the economy.
[12] World Travel & Tourism Council, Travel & Tourism Economic Impact 2024. Armenia
[13] Also in this case, the total contribution of Travel & Tourism to employment is considered, including wider effects from investment, the supply chain and induced income impacts.

These figures underscore the **sector's vital role in Armenia's economic recovery and development strategy**. With its rich cultural heritage, historic sites, and picturesque landscapes, Armenia has become increasingly attractive to international tourists, leading to a significant rise in tourism revenue. Currently, Armenia is actively shifting its position in the global tourism market and aims to establish itself as a regional tourism hub, striving to create the necessary conditions through a variety of offerings. In this regard, a wide range of actions have been undertaken to bolster Armenia's appeal as a tourist destination. Efforts have included substantial investments in infrastructure and tourism services, all aimed at enriching the overall visitor experience. Moreover, the tourism boom has been supported by various strategic initiatives, including the introduction of new direct flights (see details more below), and the promotion of domestic tourism through expos and events held in Yerevan. These efforts are part of a broader strategy to attract a diverse range of international visitors and enhance the country's tourism infrastructure[14].

However, in terms of the country's tourism offerings, there are still significant steps to be taken. According to the latest **World Economic Forum's 2024 Travel & Tourism Development Index (TTDI)**, Armenia ranks 72nd out of 119 countries. This represents a drop of 9 places compared to the 61st position in 2021, which at the time had instead marked an improvement of four places compared to the previous ranking in 2019. The decline is primarily attributed to decreases in the "policy and enabling conditions" and "sustainability" dimensions, which dropped by 6% and 5%, respectively. However, there have been notable improvements in the "infrastructure and services" dimension, which saw a 6% increase[15].

Regarding infrastructure and services, from the point of view of the **accommodation capacity** in the country, Armenia has seen steady growth over the past decade, aligning with its efforts to enhance its tourism appeal and support the increasing number of visitors. If analyzing the data available since 2012 to date, a clear positive trend emerges in the availability of accommodation establishments, rooms, and beds in the hospitality sector. In particular, accommodation establishments have increased by an average of 2% annually, while rooms and beds have seen growth rates of 4% and 3%, respectively. Over this period, rooms have expanded by 44%, followed by beds at 28% and establishments at 27%.

Chart 5: Accommodation Capacity



Source: UN Tourism Data Dashboard

According to the SC[16] of the Republic of Armenia, there were more than **1500 operational accommodation** establishments across Armenia in 2022, including hotels, hostels, guesthouses, and bed and breakfast establishments. They have the following characteristics:

- More than 56% of these establishments are situated within Yerevan.

[14] Interview with Sisian Boghossian, head of Armenia's Tourism Committee: https://www.civilnet.am/en/news/700860/2023-to-be-record-breaking-year-for-tourism-in-armenia/

[15] https://www.weforum.org/publications/travel-tourism-development-index-2024/interactive-data-and-economy-profiles-afaa00a59c/

[16] https://statbank.armstat.am/pxweb/hy/ArmStatBank/ArmStatBank__4%20Transport%20and%20tourism__43%20Tourism/TT-tu-1-2022.px/table/tableViewLayout1/?rxid=9ba7b0d1-2ff8-40fa-a309-fae01ea885bb

- A notable proportion, exceeding 11%, is situated within the Kotayk Province, a region renowned for hosting prominent tourism, and recreational destinations such as Tsaghkadzor, Garni, Geared, and Arzni.
- Over 8% of the accommodations are concentrated within the Tavush region, where popular tourism destinations such as Dilijan and Yenoqavan are situated.
- Approximately 4% of accommodations are concentrated within the Syuniq region, located in the southern part of Armenia. This region not only features popular tourism destinations but also serves as a vital transit point connecting Iran with Armenia.

Active work is currently being carried out also regarding the **modernization of the transportation network**. In particular, regarding air transport, Armenia has two prominent international airports: Zvartnots International Airport situated in the capital city of Yerevan, and Shirak International Airport located in Gyumri. In recent years, there has been significant market activity, characterized by the expansion of national airlines and the introduction of European budget carriers. This has led to an increase in the availability of budget air carriers and a wider range of destinations, benefiting not only Armenians travelling abroad but also foreign citizens visiting the country.

In this respect, Armenia's aviation sector is thriving, with a total of 40 airlines operating within the country. Notable among these carriers are Aeroflot, Aegean Airlines, Air Cairo, Air France, Austrian Airlines, WizzAir, Transavia, Qatar Airways, and FlyDubai. Limited international flight connections obstruct the development of the tourism industry, although connectivity is improving. Under the government’s civil aviation reforms, undertaken several years ago, low-cost carriers operate flights between Armenia and major European and Middle Eastern destinations.

Finally, the development of the tourism sector is significantly influenced by the criminality and safety standards of a country also. In this regard, Armenia stands out for its **safety standards**. According to the Safety Index, indeed, the country secured the 8th position among the world's safest countries in 2024, climbing one position in the rankings over the past five years[17]. This enhanced reputation for safety is likely to attract more international tourists, contributing positively to a country's tourism development and growth.

Box 1: Armenian Visa Index

Armenia's visa policies are crafted to facilitate seamless travel experiences and promote international collaboration. As of December 2023, holders of Armenian passports were afforded visa-free or visa-on-arrival access to 69 countries and territories, positioning the Armenian passport at 75th on the Henley Passport Index, indicative of a moderate level of travel freedom. Furthermore, citizens from 45 countries benefit from unilateral exemptions from visa requirements when visiting Armenia. This provision permits stays of up to 180 days per year, enhancing accessibility and encouraging visitors to prolong their stay in the country, thereby promoting cultural exchange and economic engagement. Finally, a notable aspect of Armenia's visa regime is the special arrangement extended to citizens of the Russian Federation, who are granted entry into Armenia using their internal passports.

1.4. THE CURRENT MARKETING STRATEGY

Several challenges interfere with the development of tourism in the Republic of Armenia, requiring their resolution to maximize developmental potential and attain the best results:

- **Limited recognition of Armenia in the global tourism market.** According to the "Travel and Tourism Development Index", Armenia is ranked quite lower than its neighboring countries. Its ranking (72nd) falls behind Türkiye (29th), Georgia (45th), and Azerbaijan (56th).
- **Needs for improvement in tourist infrastructure.** Despite the efforts made in the last few years, Armenia still fails to adequately cater to a larger influx of tourists with substantial spending capacity.
- **Low level of tourists visiting regions.** Travel itineraries outside Yerevan predominantly favor one-day excursions and do not allow an adequate development of the service offerings in the regions.
- **High seasonality of the tourism offering.** The main tourism season lasts from April to October, and the New Year period, and the offering is too focused on these periods.

[17] https://worldpopulationreview.com/country-rankings/crime-rate-by-country

- **Needs for professionalism in human resources.** The global market demands for improvement of workforce development within the tourism sector, in order to satisfy the needs for qualified and skilled resources across the various sectors.

In order to support industry development, the **Tourism Committee of Armenia** has been created, operating under the Ministry of Economy of the RA, as the government's official tourism authority dedicated to the implementation of the government's tourism policies. The Tourism Committee was established in 2016. The vision of the Tourism Committee is to present Armenia as a preferred, appealing, and responsible year-round destination within the global market, renowned for its ancient cultural heritage, contemporary culture, nature and landscapes, diverse cuisine, warm hospitality, exceptional quality of services, and enriching experiences for visitors.
Aligned with the overarching objectives outlined in the 2021-2026 programme of the RA government, the Tourism Committee attempts to achieve the following milestones:

- Attracting an annual influx of 2.5 million tourists.
- Development of 20 tourism clusters.
- Restoration of 50 historical and cultural landmarks.
- Institutionalization of the tourism sector.
- Increased global awareness of Armenia.
- Strengthening collaborations with foreign nations, regional entities, and international organizations.

The Tourism Committee operates with great agility to elevate the global profile of Armenia, spearheading diverse advertising campaigns aimed at enhancing the country's presence abroad. These initiatives are integral to shaping and pioneering new marketing paradigms while facilitating active engagement from the business community. The marketing activities include a **spectrum of strategic activities** aimed at fortifying **Armenia's position as a leading tourist destination**. These activities include:

- **Participation in International Tourist Exhibitions and Mutual Familiarization Visits**, to foster networking opportunities and enhance global visibility.
- **International Collaborations**, strengthening partnerships with international media outlets such as Euronews and BBC, to amplify Armenia's tourism narrative on a global scale.
- **Study Visits**, for media representatives, influential bloggers, and key influencers, providing firsthand insights into Armenia's diverse cultural, historical, and natural attractions.
- **Digital and Social Media Campaigns**, utilizing innovative storytelling techniques to reach a broader audience, and showcase Armenia's unique offerings.
- **New Marketing Content Development**, to highlight the richness and diversity of Armenia's tourism landscape.
- **Festival Organization,** to foster cultural experiences, enhance the knowledge of Armenian products and attract visitors from around the globe.

In May 2022, the Tourism Committee launched a **new campaign called "Armenia, the Hidden Track".**[18] The campaign focused on four main elements – culture, nature, adventure, and gastronomy and wine, to show tourists all the unique experiences they can have in Armenia. In 2023, the Committee conducted a **comprehensive market analysis and research program** targeting four key markets: **Germany, France, the UAE, and Russia.** This initiative sought to meticulously examine the demand dynamics within these countries, laying the groundwork for future advertising endeavors.

[18] https://armenia.travel/

2 INBOUND SURVEY RESULTS

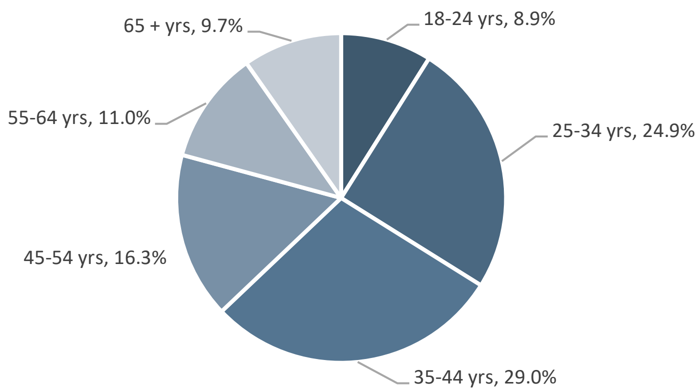
2. INBOUND SURVEY RESULTS

2.1. VISITORS' DEMOGRAPHIC PROFILE

2.1.1. Socio-demographic profile of inbound visitors

In 2023, international visitors to Armenia tended to be relatively young, with 63% of them being under 44 years old. Notably, the age group of 35-44 represented 29% of arrivals, indicating significant potential within this demographic. Visitors over the age of 55 constituted 21% of the respondents, and within this group, 10% were over the age of 65.

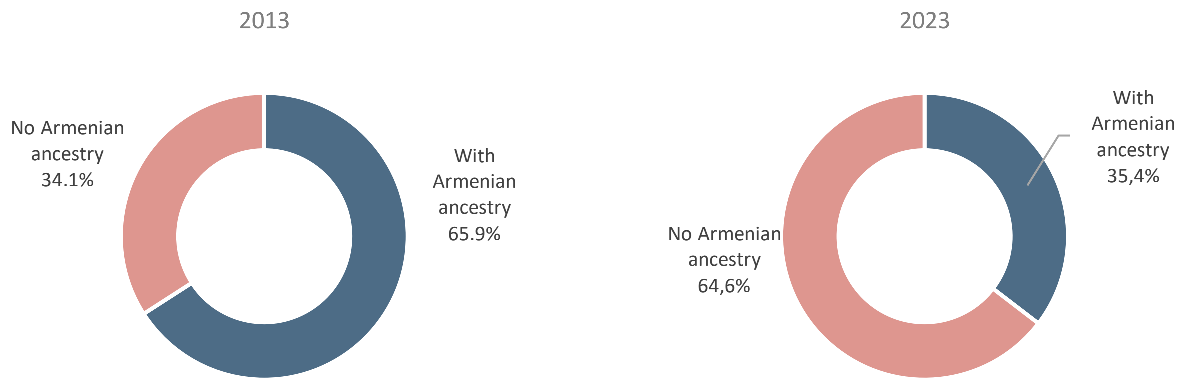
Chart 6: Arrivals to Armenia per age group. 2023



Source: Elaboration of 2023 Armenian International Visitor Survey

Moreover, the survey reveals that 35% of arrivals have Armenian ancestry, marking a substantial shift from the previous IVS, where visitors with Armenian ancestry were around 66% of the sample.

Chart 7: Visitors to Armenia with or without Armenian ancestry. Comparison 2013-2023

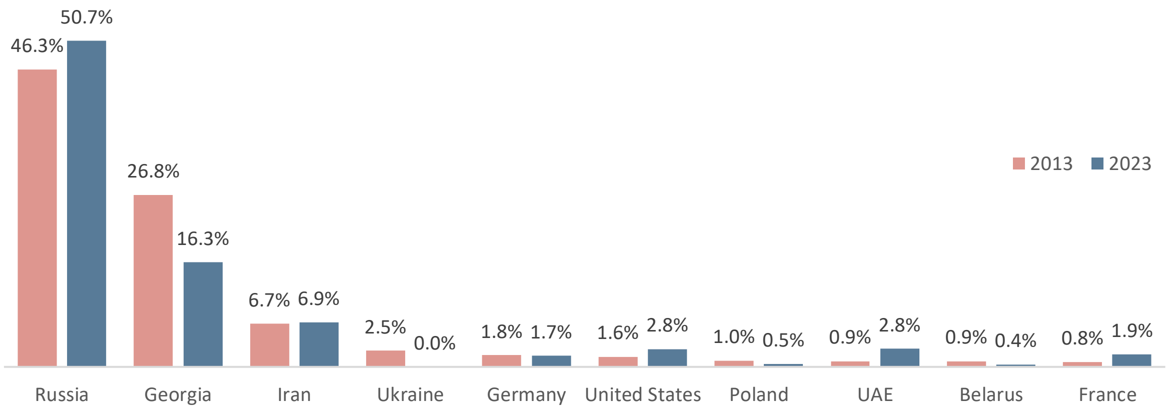


Source: Elaboration from 2013 and 2023 Armenian International Visitor Survey

2.1.2. Distribution of inbound visitors by top markets

The survey results indicate that the overall structure of the countries of residence of visitors to Armenia has remained relatively stable since 2013, with Russia continuing to be the dominant source market, accounting for 51% of arrivals, followed by Georgia (16%), Iran (7%), the UAE and the USA (3%), and France and Germany (2%). Comparatively, since 2013, the Russian market has grown even stronger, increasing by 5%, while arrivals from Georgia have decreased by 10%. Such modifications can be partially due to current political factors, involving the whole area. The USA, UAE, and France have shown the greatest growth during this period, whereas Iran, Germany, Poland, and Belarus have remained at 2013 levels.

Chart 8: Visitors to Armenia per source top markets. 2013-2023



Source: Elaboration from 2013 and 2023 Armenian International Visitor Survey

More thorough analyses of source markets show the following insights:

- Per age group, Russians share the overall structure of the whole sample, with 65% of the interviewees under 44 years old, and only 7% over 65. In the case of Georgia, the structure is very similar as well, only that the 65+ group represents 19% of the arrivals, more than double the overall average. Visitors from the UAE are significantly younger than average, with 81% under 44 years of age, and 43% in the 35-44 age group.
- Per gender, visitors coming from Russia and Georgia are different from the overall structure, since there are more women (55% and 52%, respectively) than men. Visitors from Iran are practically only men (90%). A similar situation is seen among visitors from the UAE, the USA and Germany, with a high share of men (around 56% of the sample).

To have a better understanding of these trends we can also consider the results of the 2007 survey, from a longer-term perspective. In fact, Russia almost doubled its presence in the area: 34.9% of total arrivals in 2007, 46.3% in 2013 and 60.9% in 2023. Whereas, Georgia had only a little degrowth between 2007 (28.1%) and 2013 (26.8%) and then halved between 2013 and 2023 (12%). As for the third source market, which is Iran, on one side it is noticed that between 2013 and 2023 the trend was quite stable, while with a broader perspective we notice a more pronounced decline: 7.8% of inbound visitors in 2007, then 6.7% in 2013 and 6.1% in 2023.

Table 1: Age and Gender Visitors per country of residence (top 7 source markets). 2023

	TOTAL	Russia	Georgia	Iran	UAE	USA	Germany	France
Males	52.4%	44.8%	48.5%	90.1%	57.4%	57.1%	56.0%	49.5%
Females	47.6%	55.2%	51.5%	9.9%	42.6%	42.9%	44.0%	50.5%
18-24 yrs.	8.9%	9.2%	12.3%	2.3%	4.7%	4.5%	11.5%	7.6%
25-34 yrs.	24.9%	26.5%	22.6%	14.6%	32.7%	13.1%	27.8%	22.7%
35-44 yrs.	29.0%	28.8%	23.2%	44.2%	43.3%	19.6%	24.0%	23.6%
45-54 yrs.	16.3%	17.4%	11.1%	23.8%	15.0%	15.8%	13.6%	15.1%
55-64 yrs.	11.0%	11.2%	11.6%	11.1%	4.3%	16.9%	9.8%	9.2%
65 + yrs.	9.7%	6.9%	19.2%	3.9%	0.0%	30.2%	13.3%	21.8%

Source: elaboration of 2023 Armenian International Visitor survey

2.1.3. Final considerations and recommendations

I. Diversification of source markets

Armenia's heavy reliance on Russia (51% of arrivals) presents both an opportunity and a risk. While continuing to capitalize on this market, Armenia should also focus on developing emerging markets such as the USA, the UAE, and France, which have shown significant growth, as well as Germany and Italy, that recently established direct flights to Armenia. In the overall perspective, Armenia should increase its international ranking about openness to travel and tourism, which currently is quite low: according to Travel & Tourism Development Index 2024, the country ranks 87th, with low scores in terms of open visa

II. Age-specific marketing and product development

With 63% of visitors under 44 years old, Armenia should tailor its tourism offerings to appeal to younger and middle-aged travelers. This would include: Adventure tourism experiences; Cultural immersion programs; Tech-enabled city tours and interactive museum exhibits; Sustainable and eco-friendly tourism options, which often appeal to younger travelers.

III. Diaspora engagement

Despite the decrease in diaspora visitors (from 66% to 35%), this segment remains important, as it serves as a vital conduit for the dissemination of Armenian culture and knowledge on a global scale, thereby safeguarding the ancestral roots. Armenia should develop specific strategies to engage 3rd and 4th generation Armenians, such as: Heritage tourism products; "Roots" tourism programs; leveraging diaspora networks for tourism promotion in their countries of residence.

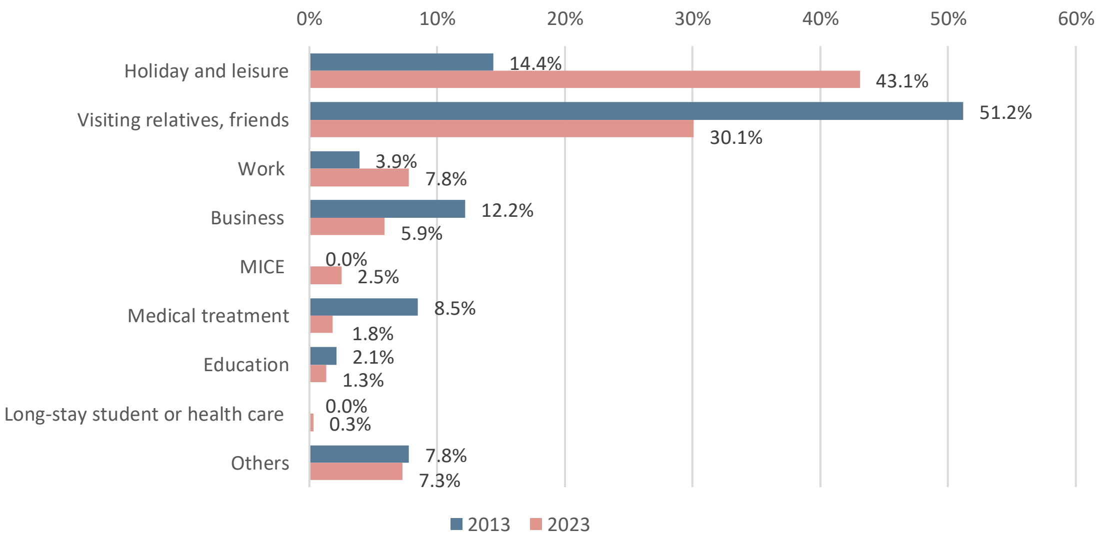
IV. Gender-specific offerings

Given the concentration in gender distribution in specific source markets, it could be developed into a targeted program, like Adventure and business tourism offerings for male visitors from Iran and the UAE, also maintaining specific attention to female visitors.

2.2. TRAVEL PURPOSE

The primary purpose to visit Armenia is “Holidays and Leisure”, accounting for 43% of arrivals, followed by “Visit friends or relatives” (VFR) with 30% of total arrivals. This marks a significant shift compared to the 2013 IVS, where VFR accounted for 51% of arrivals, and 'Holidays and Leisure' only 14%. Other notable motivations for visiting Armenia include “Business” (6%) and “Work” for an Armenian-based company (8%). Additionally, among those categorized as “Others,” 5% are “In Transit” passengers, a significant segment that deserves attention.

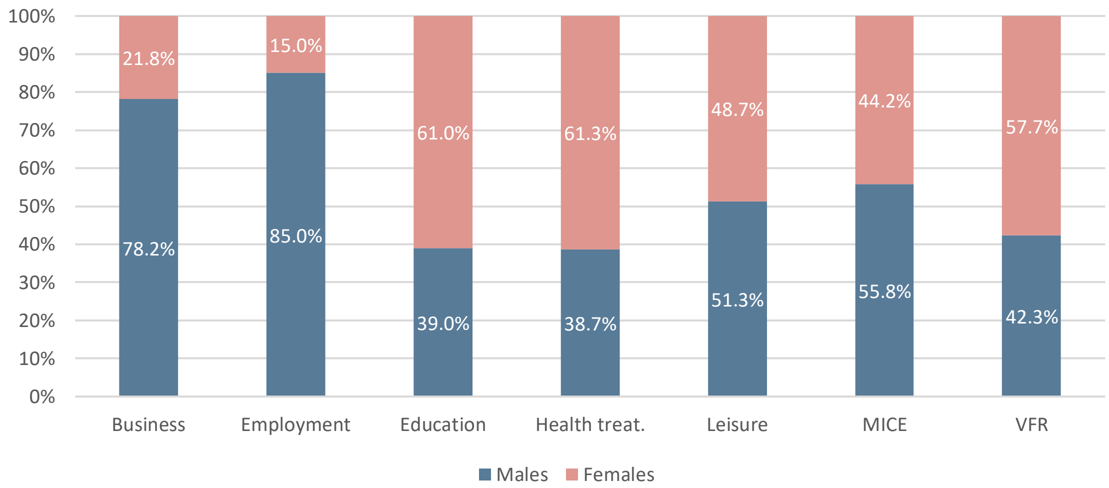
Chart 9: Purpose of visit (in %)



Source: elaboration of 2023 Armenian International Visitor Survey

The analysis of trip purpose **per gender** shows that travels linked to job purposes (“Business”, “Employment” and “MICE”) are carried out mainly by men (78%, 85% and 56%, respectively), whereas women are prevalent in visits for “Education” and “Health treatment” purposes (61%, both cases). In other cases, gender is almost equally distributed.

Chart 10: Gender by purpose of visit (in %)



Source: elaboration of 2023 Armenian International Visitor Survey

Regarding the age groups, 72% of “Leisure” trips are carried out by visitors younger than 44 years old, whereas 51% of those arriving in Armenia to ‘Visit friends or relatives’ belong to age groups above 44. Compared with the previous Chart 6, it is worth noting that the overall high share of young visitors is further increased in the leisure segment, passing from 63 to 72%. On the other hand, the age of visitors for VFR purposes is higher than the overall average, considering that 51% are more than 44 years old (against 37% with respect to all visitors).

Table 2: Age by purpose of visit

	TOTAL	Business	Employment	Education	Health Treat.	Leisure	MICE	VFR
18-24	8.9%	6.5%	5.4%	58.4%	5.2%	9.1%	10.7%	7.7%
25-34	24.9%	20.9%	19.9%	20.2%	21.6%	31.7%	24.5%	18.2%
35-44	29.0%	36.8%	41.8%	12.9%	18.2%	30.8%	29.7%	23.3%
45-54	16.3%	16.7%	22.4%	6.7%	16.5%	15.0%	13.5%	17.0%
55-64	11.0%	10.9%	7.8%	1.8%	19.2%	8.0%	11.5%	16.4%
65+	9.7%	8.3%	2.7%	0.0%	19.3%	5.4%	10.1%	17.4%

Source: elaboration of 2023 Armenian international Visitor Survey

Regarding the **purpose of the trip from the point of view of the country of origin**, there are significant differences:

- Visitors from Russia, the top source market, mainly come for “Holidays and leisure” (46%) and “VFR” (30%). This marks a significant shift from 2013, where the majority (64%) visited friends or relatives. On the other side, it must be noted that people could have mentioned the leisure purpose as a motivation, instead of mentioning reasons connected with the current political events in Russia.
- More than half of the visitors from Georgia (51%) come to Armenia primarily for “VFR,” with an additional 19% arriving for “Leisure”. Georgia stands out as the source market with the highest proportion of Business-related arrivals, accounting for 9% of trips from Georgia. Remarkably, its structure has remained largely unchanged compared to the 2013 survey.
- Visitors from Iran primarily come to Armenia for 'Employment' (59%), with an additional 25% arriving for “Leisure”. This represents a significant shift compared to 2013, when the survey indicated 60% of arrivals for leisure purposes and 38% for “Employment”.
- France is a countertrend market in terms of trip purpose with respect to the general trend, as VFR is highly prevalent (50%) compared to Leisure (35%). Moreover, this data inverted the appraisal of the previous IVS, where Leisure counted for 44.6% and VFR for 30%.

- Other top European source markets (Germany and the UK) confirm the increasing trend of leisure visits: Germany passed from 48 to 53% and the UK from 32 to 65%.
- Visitors from the USA primarily visit Armenia for "Holidays and Leisure" (49%), followed by VFR (39%).
- Visitors arriving from the UAE come almost exclusively for "Leisure" (79%), with other purposes representing a significantly smaller share.

Table 3: Share of visitors per trip purpose and country of residence. Comparison 2013-2023

	Business		Employment		Education		Health treatments		Holidays and Leisure		VFR		Other	
	'13	'23	'13	'23	'13	'23	'13	'23	'13	'23	'13	'23	'13	'23
TOTAL	12.2	5.9	3.9	7.8	2.1	1.3	8.5	2.1	14.4	43.1	51.2	30.1	6.0	9.7
Russia	8.6	4.6	1.1	4.7	0.9	0.9	2.1	1.2	7.4	46.5	67.8	30.4	10.7	11.9
Georgia	9.5	9.1	6.6	3.7	4.2	3.7	27.5	8.0	2.6	18.6	47.1	50.7	1.5	6.2
Iran	12.3	6.0	11.1	58.7	1.8	0.8	-	0.1	60.0	24.7	14.3	4.5	0.1	5.3
UAE	29.5	3.1	-	0.9	4.2	1.3	-	0.3	23.2	48.5	41.1	38.5	2.1	7.4
USA	22.0	5.2	1.1	1.8	1.7	1.0	1.7	0.3	19.8	79.2	48.6	9.6	4.0	2.8
Germany	29.1	6.6	1.6	0.0	1.1	1.2	-	0.7	48.1	53.3	15.3	30.6	2.1	7.7
France	12.0	5.7	-	1.3	4.8	0.6	-	0.7	44.6	35.4	30.1	50.0	2.4	6.3

Source: Elaboration from 2013 and 2023 Armenian International Visitor Survey

2.2.1. Final considerations and recommendations

I. Shift towards leisure tourism

The data shows a significant shift in visitor purpose from 2013 to 2023, with leisure tourism increasing from 14% to 43% of arrivals. This trend is positive for Armenia's tourism industry, as leisure tourists typically spend more than those visiting friends and relatives (VFR). A following section of this report focuses on findings and recommendations for this segment of visitors.

II. High-potential source markets

The data reveals important differences in visitor purposes across source countries. To optimize marketing efforts, marketing strategies must be tailored for each key source market based on their primary travel purposes. For example, focus on leisure offerings for visitors from Russia and the UAE, while emphasizing VFR and business opportunities for Georgian visitors.

III. Revitalizing business tourism

The data shows a decline in business travel from 12.2% in 2013 to 5.9% in 2023. To reverse this trend, a strong brand promotion of Armenia must be developed, creating partnerships with international business organizations to promote Armenia as a business destination, so as to host events and conferences in Armenia. Investments should include: modern conference and exhibition centers in key cities, high-quality business hotels with advanced technological capabilities, efficient transportation links between business

IV. Transit passengers

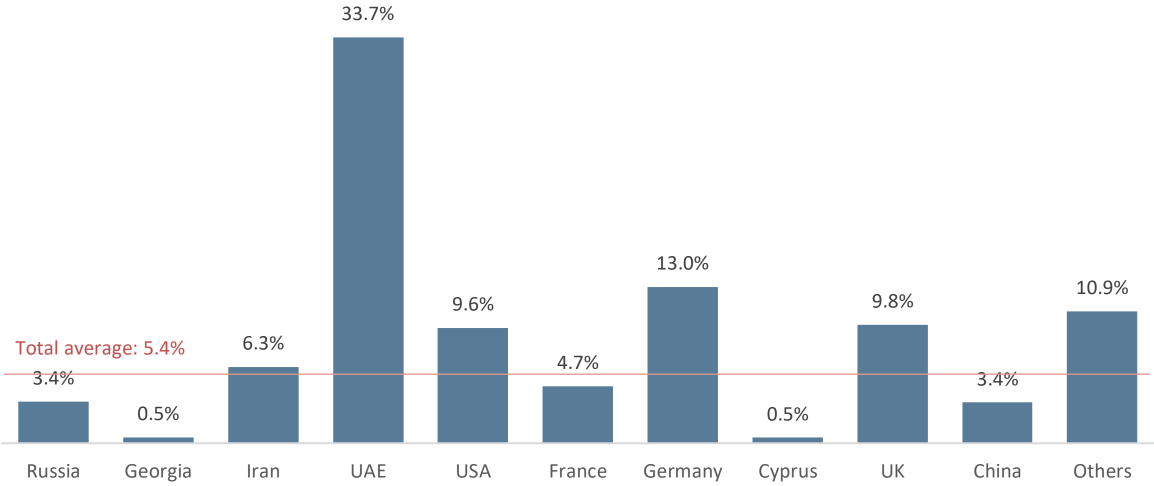
The survey identified a significant segment (5%) of transit passengers, who have the highest daily average per capita expenditure (US$ 145.8). They currently spend only 1.5 days on average in Armenia. To improve the attractiveness for this specific segment, some initiatives can be planned: the collaboration with airlines and airports should promote stopover programs in Armenia, having attractive tour packages and experiences for transit passengers; the development of short-term accommodation and leisure facilities near transit hubs; the creation of efficient transportation links between airports and key tourist attractions

2.3. TRAVEL BEHAVIOR

2.3.1. Type of visit arrangements

Only 5.4% of international visitors arrive in Armenia through package tours. The source markets with the highest utilization of package tours are the UAE (34%), Germany (13%) and the UK and USA (10%). Compared to 2013, the situation presents some contrasting modifications: the overall average doubled, passing from 2.7% to 5.4% of visitors who arrived with a package tour, with a significant increase in a top market like the UAE (from 6.3% to 33.7%). “Holidays and Leisure and Tourists” coming with a package tour decreased a lot in percentage with respect to 2013 (from 19.3% to 11.3%), mainly due to a reduction in the European countries’ share (France, Germany, Poland).

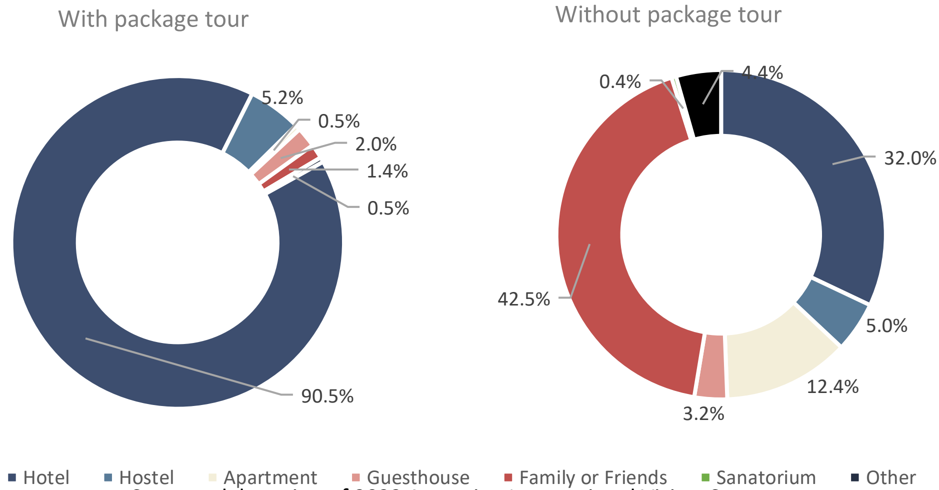
Chart 11: Share of visitors using package tours to visit Armenia. Per country of residence



Source: elaboration of 2023 Armenian International Visitor Survey

Almost the totality of visitors coming with package tours stay in hotels (more than 90%) or in hostels (5.2%). More distributed are the options for accommodation selected by independent visitors: the majority (42.5%) lodged with family or friends, 37% at hotels and hostels, and 15.6% in apartments, B&B and guesthouses.

Chart 12: Accommodation type per visit arrangement

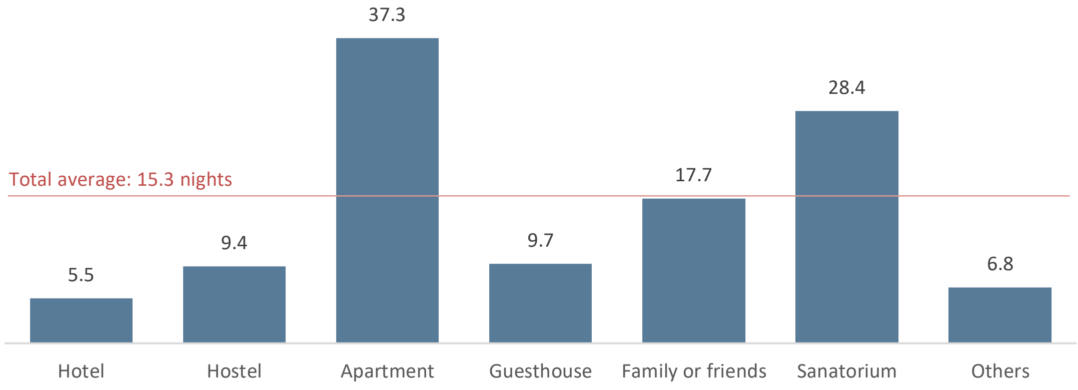


Source: elaboration of 2023 Armenian International Visitor Survey

2.3.2. Length of stay

The average length of stay of international visitors to Armenia in 2023 was 15.3 nights, lower than the one registered in 2013 (17.4 nights). In general, a significant proportion of visitors (55.7%) recorded a stay of five nights or fewer, while 20.4% of visitors remained for a duration ranging from six to ten nights. The average length of stay is notably increased due to the presence of long-term visitors, with 3.8% reporting stays exceeding 100 nights. When broken down by type of accommodation, stays at Apartments had the highest average at 37.3 nights. Permanence at Sanatoriums lasted over 28 nights on average. Stays at Family or friends averaged 17.7 nights, and finally Guest houses and Hostel counted around 10 nights on average. Still limited presence in hotels (less than 6 days on average).

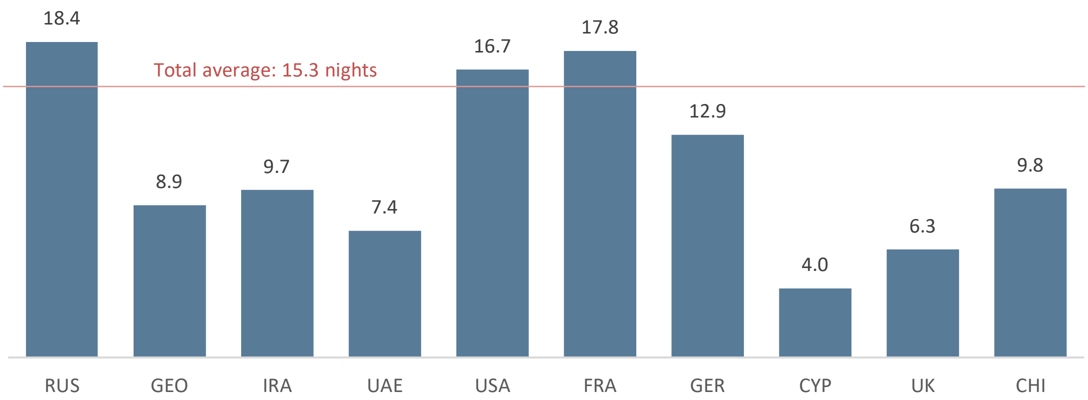
Chart 13: Length of stay of visitors per type of accommodation used (in nights)



Source: elaboration of 2023 Armenian International Visitor Survey

Regarding the length of stay per source market, data shows that visitors from Russia, France and USA (among the Top 10 in Armenia), stay significantly longer than average. In contrast, visitors from other source markets tend to stay around one week or 10 days, except for those from Germany, who stay for an average of 13 nights, and Cyprus, with an average of 4 nights.

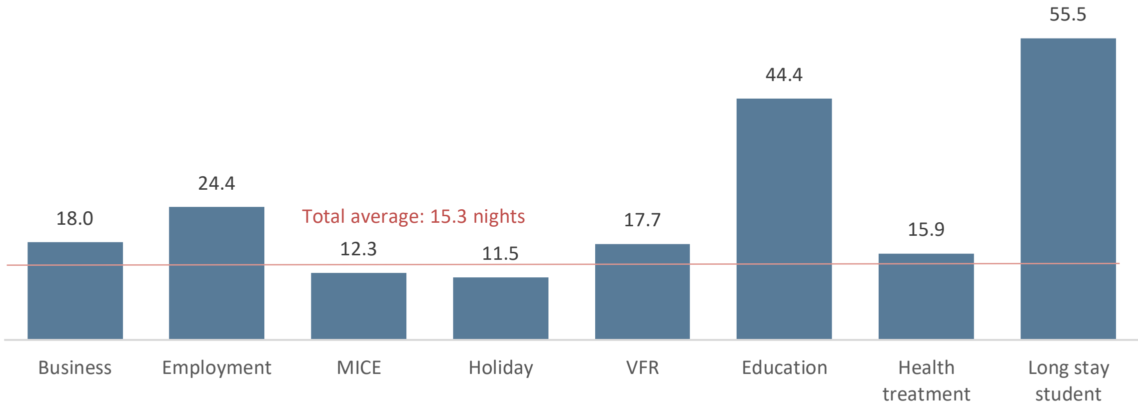
Chart 14: Length of stay of visitors per source top markets (in nights)



Source: elaboration of 2023 Armenian International Visitor Survey

The length of stay varies significantly with respect to the purpose of the trip. For the most common ones in terms of number of visitors, “Visit friends or relatives” and “Holidays and Leisure”, the average stays are 18 and 12 nights, respectively. However, “Business” visitors have an unusually long stay of 18 nights, which is notably higher compared to international standards, where business trips typically last less than a week. This is probably due to the increase in remote work in the post-COVID era, where it has become more widespread for individuals to work from anywhere. Of course, the highest number of overnights is recorded for traditional long-staying purposes: students and education in general.

Chart 15: Length of stay of visitors per trip purpose (in nights)



Source: elaboration of 2023 Armenian International Visitor Survey

2.3.3. Satisfaction with the provided services

The satisfaction level of international visitors to Armenia in 2023 indicates an overall appreciation of the services, for both quality and price. The table below shows the visitors' answers that scored "good" and "excellent" the different categories of the services. The share is calculated with respect to people who gave an answer (shown in the first column of data), assuming that they enjoyed such service. For instance, the share of visitors who utilized tour operators is quite low (13.6%), but their appreciation for the service provided is generally very high (93.6%). In terms of quality, the sightseeing attractions ranked with the highest level of appreciation (more than 96%), as well as the linked services of tour operators and guides, followed by food quality and the management of border services, which are all over 90%. The lowest score reached the consideration about the quality of roads in Armenia, which only 64.4% judged as highly satisfactory. With respect to the price of services, again, touristic attractions and related services have been highly appreciated by around 90% of visitors, while accommodation and food have seen the appreciation of around 73% of respondents.

Looking at different top markets, visitors coming from Iran seem the most "demanding" in terms of quality, rating low scores in general with respect to the average. European visitors, in particular those from France, Germany and the UK, are also mostly unsatisfied with the quality of the roads.

Table 4: Satisfaction levels per top source market

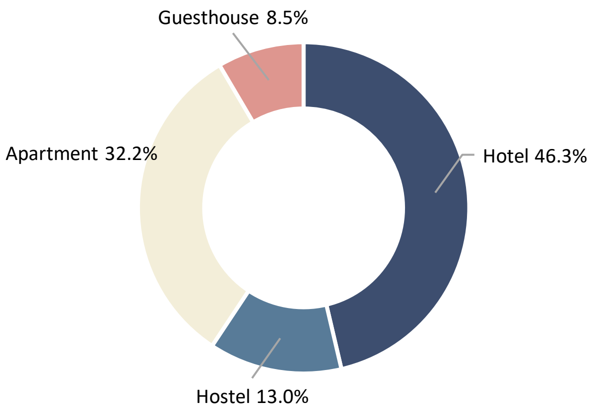
CATEGORY	% ANSWERS	% of "Good" and "Excellent" answers per category										
		TOTAL	RUS	GEO	IRAN	UAE	USA	FRA	GER	CYP	UK	CHI
QUALITY:												
Accommodation	78.8%	86.8%	88.5%	85.5%	70.1%	84.3%	90.1%	84.5%	84.3%	93.5%	89.3%	88.9%
Food	98.9%	93.6%	96.2%	93.2%	77.5%	91.0%	95.1%	92.5%	94.8%	96.4%	96.5%	82.5%
Tour operators	13.6%	92.6%	94.2%	90.5%	71.7%	90.8%	96.3%	79.3%	95.7%	100.0%	96.6%	88.2%
Transport to Armenia	84.1%	80.2%	80.7%	83.%	69.4%	85.3%	76.7%	61.5%	78.8%	74.5%	79.6%	85.7%
Internal transport	76.8%	80.3%	81.5%	81.3%	80.5%	80.6%	69.0%	65.2%	74.1%	74.7%	81.5%	84.4%
Roads	99.1%	64.3%	69.6%	66.6%	45.1%	66.2%	49.0%	41.0%	42.3%	61.7%	54.4%	60.3%
Sightseeing attractions	79.8%	96.2%	97.3%	96.3%	90.5%	95.9%	93.3%	94.3%	89.8%	96.8%	96.2%	94.2%
Tour guide services	17.8%	94.5%	95.9%	90.8%	65.0%	93.2%	94.6%	90.0%	94.1%	95.7%	100.0%	94.4%
Border services	98.6%	93.4%	96.1%	93.9%	78.6%	90.1%	91.1%	85.2%	90.8%	94.5%	93.9%	93.1%
PRICE:												
Accommodation	68.2%	73.0%	71.0%	74.3%	56.6%	80.8%	85.0%	78.7%	73.0%	80.7%	87.8%	72.9%
Food	94.8%	73.9%	74.1%	77.9%	50.2%	82.1%	75.0%	69.7%	72.8%	89.4%	90.4%	66.0%
Tour operators	13.1%	88.1%	89.9%	85.0%	72.3%	87.2%	92.2%	76.9%	91.3%	78.6%	81.5%	81.3%

CATEGORY	% ANSWERS	% of "Good" and "Excellent" answers per category										
		TOTAL	RUS	GEO	IRAN	UAE	USA	FRA	GER	CYP	UK	CHI
Transport to Armenia	81.9%	70.3%	67.0%	81.9%	63.5%	84.2%	73.0%	55.1%	72.4%	72.9%	74.0%	83.3%
Internal transport	75.0%	85.4%	87.5%	84.0%	64.5%	86.0%	79.8%	77.8%	82.8%	96.8%	94.5%	88.6%
Sightseeing attractions	59.2%	92.2%	93.9%	91.7%	66.5%	93.5%	92.0%	87.7%	90.5%	96.6%	93.9%	89.1%
Tour guide services	15.4%	92.5%	93.7%	92.6%	62.2%	91.6%	95.3%	86.4%	93.8%	100.0%	92.6%	93.8%
Border services	10.1%	92.6%	94.9%	90.3%	73.1%	100.0%	100.0%	75.0%	88.9%	100.0%	100.0%	100.0%

Source: elaboration of 2023 Armenian International Visitor Survey

Among those who declared their unsatisfaction with accommodation services, the most lodged in hotels (46.35%) or in apartments (32.2%).

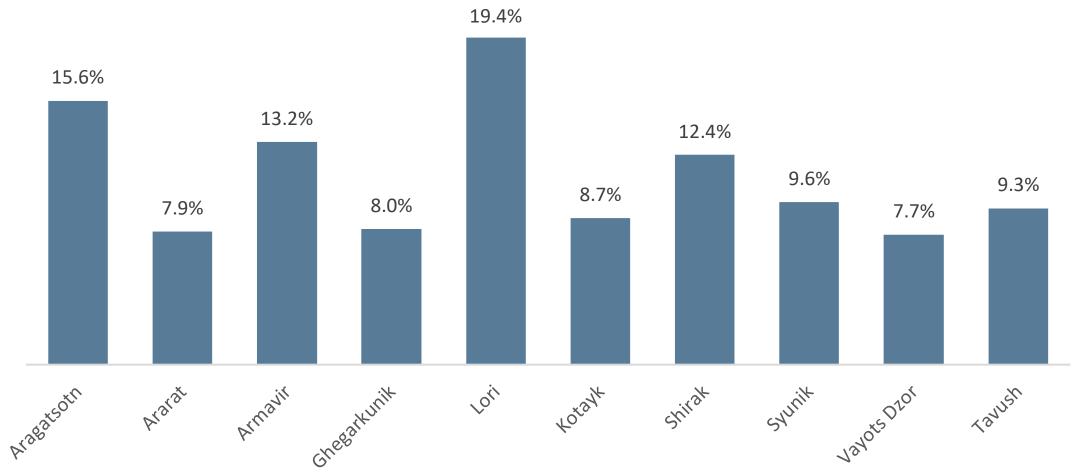
Chart 16: Accommodation type of unsatisfied visitors



Source: elaboration of 2023 Armenian International Visitor Survey

Some visitors travelling to different marzes reported their non-appreciation about the quality of the roads. In particular, 19.4% of those who went to Lori and 15.6% of those who visited Aragatsotn region reported poor or unsatisfactory judgements on the state of roads.

Chart 17: Share of marzes' visitors unsatisfied by the quality of roads



Source: elaboration of 2023 Armenian International Visitor Survey

Considering the level of satisfaction per trip modality, answers do not show relevant differences between those who used package tours and those travelling independently. Visitors with packages are in general highly satisfied, except for the quality of roads; independent visitors are more prudent in their appreciation of the prices for accommodation and food. It is worth noting the main differences in the utilization of services: around 60% of visitors with travel packages used local transportation, more than 70% acquired services from national tour operators and/or guides; the same services were used only by less than 15% of independent travelers, which implies a strong need for improvement in the sector.

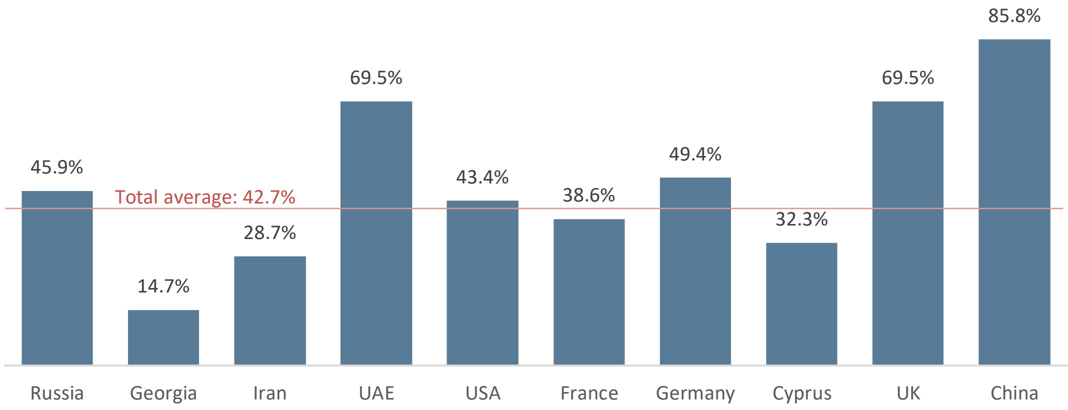
Table 5. Level of satisfaction of visitors per type of trip arrangement

CATEGORY	WITH PACKAGE TOURS				WITHOUT PACKAGE TOURS			
	% ANSWERS	Highly satisfied	Satisfied	Unsatisfied	% ANSWERS	Highly satisfied	Satisfied	Unsatisfied
QUALITY:								
Accommodation	99.7%	83.8%	13.0%	3.2%	77.5%	87.1%	10.8%	2.1%
Food	100.0%	90.6%	8.1%	1.2%	98.8%	93.8%	5.4%	0.8%
Tour operators	72.4%	93.1%	5.4%	1.5%	10.1%	92.4%	5.8%	1.7%
Transport to Armenia	95.5%	84.8%	11.2%	3.9%	83.5%	79.8%	14.1%	6.1%
Internal transport	61.2%	85.7%	10.8%	3.4%	77.7%	80.1%	15.1%	4.8%
Roads	98.5%	65.1%	27.4%	7.5%	99.2%	64.2%	24.6%	11.1%
Sightseeing attractions	95.0%	95.2%	4.6%	0.2%	79.0%	96.3%	3.4%	0.4%
Tour guide services	76.3%	94.7%	4.0%	4.7%	14.4%	94.4%	4.0%	1.6%
Border services	98.9%	92.7%	4.4%	2.9%	98.5%	93.4%	5.0%	1.6%
PRICE:								
Accommodation	76.5%	80.1%	16.4%	3.6%	67.7%	72.5%	19.9%	7.6%
Food	92.3%	83.3%	12.9%	3.8%	95.0%	73.4%	19.3%	7.3%
Tour operators	65.9%	88.6%	9.6%	11.0%	10.0%	87.9%	9.5%	10.9%
Transport to Armenia	78.9%	78.6%	14.7%	6.7%	82.1%	69.8%	21.7%	8.5%
Internal transport	57.9%	86.2%	10.4%	3.4%	76.0%	85.3%	11.6%	3.1%
Sightseeing attractions	69.7%	92.6%	6.3%	1.1%	58.6%	92.1%	6.6%	1.2%
Tour guide services	55.8%	94.1%	5.4%	0.5%	13.0%	92.1%	6.4%	1.5%
Border services	6.3%	100.0%	0%	0%	10.3%	92.3%	6.3%	1.5%

Source: elaboration of 2023 Armenian International Visitor Survey

In 2023, around 43% of international visitors to Armenia were first-time visitors. Interestingly, 46% of arrivals from Russia were first-timers, despite the strong ties, direct flights and frequent visitation from this market. On the other side, only 15% of arrivals from Georgia were first-time visitors, and 29% of those from Iran. Growing markets appear to be China, where 86% were first-time visitors, the UAE and the UK, both with 70% of visitors coming to Armenia for the first time.

Chart 18: Share of first-time visitors to Armenia, by country of residence



Source: elaboration of 2023 Armenian International Visitor Survey

Among **first-time visitors** to Armenia, around 11% chose the package modality, nearly doubling the overall average of package users. This trend suggests that international tourists may lack knowledge about Armenia as a tourism destination, prompting them to opt for package tours to reduce uncertainties. In contrast, almost 99% of those who had previously visited Armenia arrived independently in 2023.

The likelihood of visitors returning to Armenia in the future is high, with 97% of respondents indicating they would 'likely' return in the coming years. This high likelihood is consistent across any age group and gender. Notably, 99% of visitors with Armenian ancestry expressed their intention to return. Reflecting the high satisfaction levels and the strong likelihood of return, 99% of visitors indicated they would recommend Armenia as a destination. Among those who arrived with a package tour, 12% declared it unlikely that they would return to Armenia in the next few years. In comparison, only 3% of independent travelers stated a low probability of returning.

2.3.4. Final considerations and recommendations

I. Limited use of package tours

The data shows that only 5.4% of international visitors arrive through package tours, with the highest utilization from the UAE (34%), Germany (13%), and UK/USA (10%). To enhance this utilization, Armenia should improve targeting emerging markets like China and Southeast Asia, which have shown growth potential in similar economies; promote package tours through tailored marketing campaigns for key European and Middle Eastern markets, develop partnerships with neighboring countries to develop

II. Length of stay

The average length of stay is 15.3 nights, a bit lower than in 2013 (17.4 nights). Armenia still relies mostly on visitors' presences in Yerevan, and should insist developing and promoting multi-destination itineraries, by the creation of thematic routes also (e.g. wine routes, hiking trails), to give visitors more

III. Regional distribution of presences

42.5% of independent visitors stay with family/friends, while 37% use hotels/hostels. While it is mostly due to visitors having their roots in Armenia, the promotion of homestays and community-based tourism initiatives in rural areas would benefit a segment in any case oriented to these typologies of

IV. Visitor Satisfaction

The overall satisfaction is high, as well as the likelihood of visitors returning to Armenia in the future. However, there are areas for improvement, such as road quality (only 64.4% highly satisfied) and hospitality service quality, especially in regions where the offering is still limited.

2.4. HOLIDAYS AND LEISURE TOURISTS' EXPERIENCE

2.4.1. Tourists' preferences

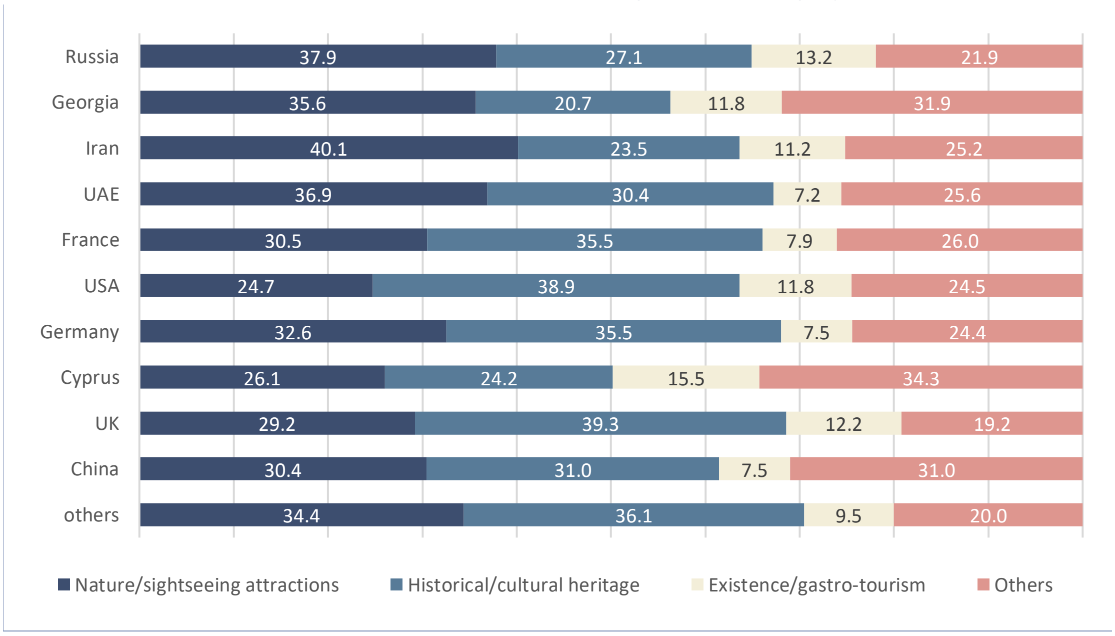
Visitors who declared "Holidays and Leisure" (the tourists in the strictest sense) as their purpose were asked to provide further detail (more than one answer was allowed). Answers revealed that 36.1% mentioned "Nature and Sightseeing Attractions" as the main motivation, followed by 29.2% who cited "Historical/Cultural Heritage" and an additional 11.7% were drawn to Armenia by its gastronomy ("Gastro-Tourism").

Chart 19: Reasons for choosing Armenia among tourists (in %)

Source: elaboration of 2023 Armenian International Visitor Survey

The interests of various major markets in Armenia align with the overall average, with one notable distinction: when examining the top three reasons for selecting Armenia as a destination, it becomes evident that the EU and USA markets prioritize historical and cultural attractions over natural resources. Specifically, visitors from France, Germany, the United Kingdom, and the United States exhibit a pronounced preference for cultural heritage, which significantly surpasses other motivations and positions Armenia as a highly targeted destination.

Chart 20: Share of reasons for choosing Armenia among top markets



Source: elaboration of 2023 Armenian International Visitor Survey

As previously said, tourists visiting Armenia with a package tour are 11.3%. In terms of seasonality of arrivals, they were quite equally distributed in the two central quarters of 2023, with 33 and 29.4%. Top markets showed some strong concentrations of arrivals: French and Chinese tourists in Q2, USA and UK tourists in Q3; to be noted the high share of German tourists in the winter period. Tourists coming without the support of a package tour were in general more concentrated in the third quarter of the year, when 38.3% of tourists arrived: all top markets had a peak of presence in this period. Interesting to note is the alternance of high-target markets in the low-season quarters (the EU and USA) and proximity markets (Russia, Georgia, Iran): when the first ones decrease (like in Q1) the second ones increase, while the opposite happens in Q4.

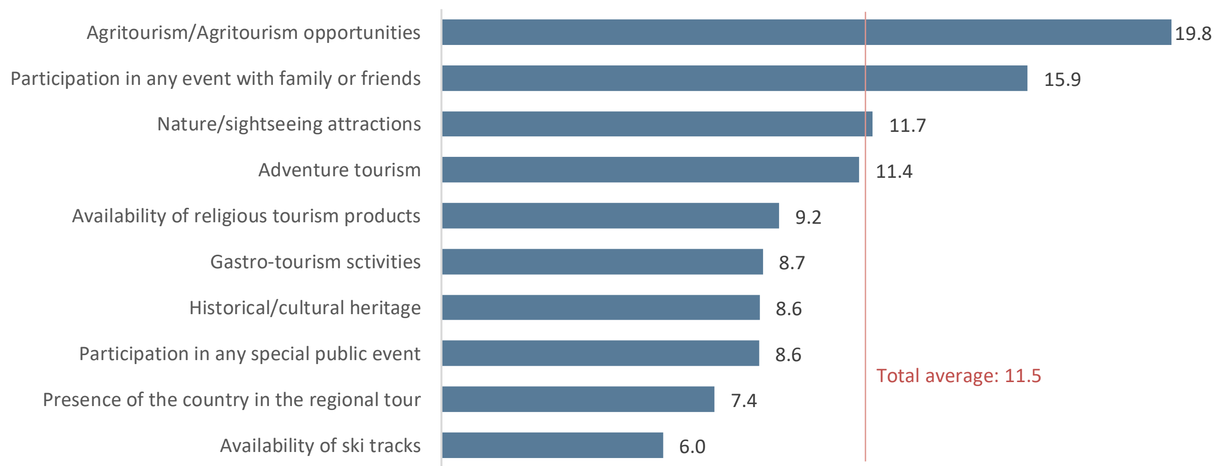
Table 6: Seasonality of international tourists (in % per quarter)

	With Package tour				Without Package tour			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total	14.4%	32.9%	29.4%	23.3%	19.1%	24.1%	38.3%	18.6%
Russia	15.4%	47.4%	21.8%	15.4%	23.0%	27.2%	34.4%	15.4%
Georgia	0.0%	0.0%	64.7%	35.3%	29.1%	22.2%	48.5%	0.2%
Iran	22.1%	9.8%	48.5%	19.6%	25.4%	20.4%	39.8%	14.4%
UAE	25.9%	18.2%	21.4%	34.5%	19.1%	21.2%	30.7%	29.1%
France	23.2%	45.9%	10.1%	20.8%	13.8%	18.3%	51.3%	16.6%
USA	0.0%	31.3%	55.9%	12.8%	3.3%	13.7%	66.1%	16.8%
Germany	0.0%	9.1%	23.8%	67.1%	5.1%	21.8%	55.7%	17.4%
Cyprus	0.0%	0.0%	100.0%	0.0%	22.4%	18.3%	31.1%	28.2%
UK	0.0%	27.8%	65.8%	6.5%	9.3%	21.9%	35.1%	33.7%
China	33.9%	51.7%	0.0%	14.4%	0.0%	10.3%	58.2%	31.5%

Source: elaboration of 2023 Armenian International Visitor Survey

The average length of stay of international tourists to Armenia in 2023, as seen above (chap. 2.3.2), was 11.5 nights. However, there are notable differences in terms of the reasons for choosing Armenia as a holiday destination. Visitors motivated by "Nature/sightseeing attractions" stayed for 11.7 nights on average, while those drawn by "Historical/cultural heritage" stayed for 8.6 nights, and those seeking "Gastro Tourism" experiences stayed for 8.7 nights. The longest stays were for those interested in "Agritourism opportunities" (19.8 nights) and "Participation in events with family or friends" (15.9 nights), while the shortest stays were for those visiting Armenia for "Skiing tracks" (6 nights).

Chart 21: Length of stay of tourists per reason for choosing Armenia (in nights)

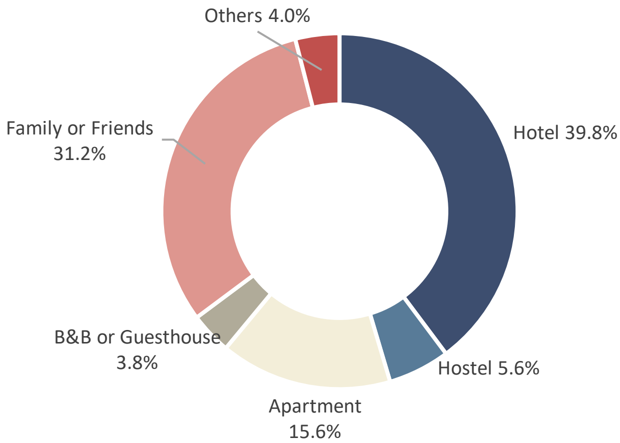


Source: elaboration of 2023 Armenian International Visitor Survey

Leisure tourists visiting Armenia prefer largely lodging in hotels (around 40%) and at family or friends' premises (31.2%). Apartments are chosen by 15.6% of tourists. Quite limited is the utilization of Hostels and

B&B. In order to analyze such data with respect to the actual offering of accommodation in Armenia, it is worth noting that an updated and complete overview of accommodation typologies is not available. Reliable information can be taken from commercial booking websites and hotel comparators: Tripadvisor lists 2,326 properties available for incoming tourism[19], but the classification system used do not appear to be sufficiently reliable: only 503 properties are classified as hotels. In any case, the market development of accommodation types other than hotels seems to have large options for improvement.

Chart 22: Share of tourists' accommodation type



Source: elaboration of 2023 Armenian International Visitor Survey

Regarding the reasons for choosing Armenia as a holiday destination, combined with the type of accommodation used, the 2023 IVS showed that tourists who stayed in hotels averaged 4.9 nights. Visitors interested in the three main holiday motivations: “Nature/sightseeing attractions”, “Historical/cultural heritage” and “Gastro-tourism” are around this average. Visitors seeking “Agritourism experiences” stayed in hotels for almost two weeks. Hostels had an average stay of 6.5 nights, but it increased significantly to 41.9 nights for those participating in events with family or friends. Tourists had the longest stay in apartments (25.6 nights), or in unpaid accommodation (staying with family or friends, 15 nights). B&Bs and guesthouses averaged around 8 nights, except for those interested in adventure tourism (30 nights).

Table 7: Number of nights spent per holiday motivation and type of accommodation. 2023

	TOT	Hotel	Hostel	Apart-ment	Guest-house	Family / friends	Sanato-rium	Others
TOT	11.5	4.9	6.5	25.6	7.8	15.1	14.1	12.3
Nature/sightseeing attractions	11.7	5.3	7.0	25.9	6.9	16.5	8.1	10.6
Historical/cultural heritage	8.6	4.7	6.8	22.7	9.4	14.5	9.0	2.9
Gastro-tourism activities	8.7	4.6	3.5	20.3	10.0	5.6		
Agritourism/Agritourism opportunities	19.8	13.8		56.0		15.0		14.0
Adventure tourism	11.4	7.3	4.7	19.8	30.4	4.6		11.3
Availability of ski tracks	6.0	7.3	2.0	6.2	2.0	4.0		
Participation in events with family/ friends	15.9	4.5	41.9	19.5	19.7	18.0	22.7	16.2
Participation in any special public event	8.6	4.1	2.1	15.8	7.1	4.7		54.5
Presence of the country in regional tours	7.4	3.8	3.3	28.8	8.5	9.2		
Availability of religious tourism products	9.2	2.5	6.0	21.6		4.6		6.9

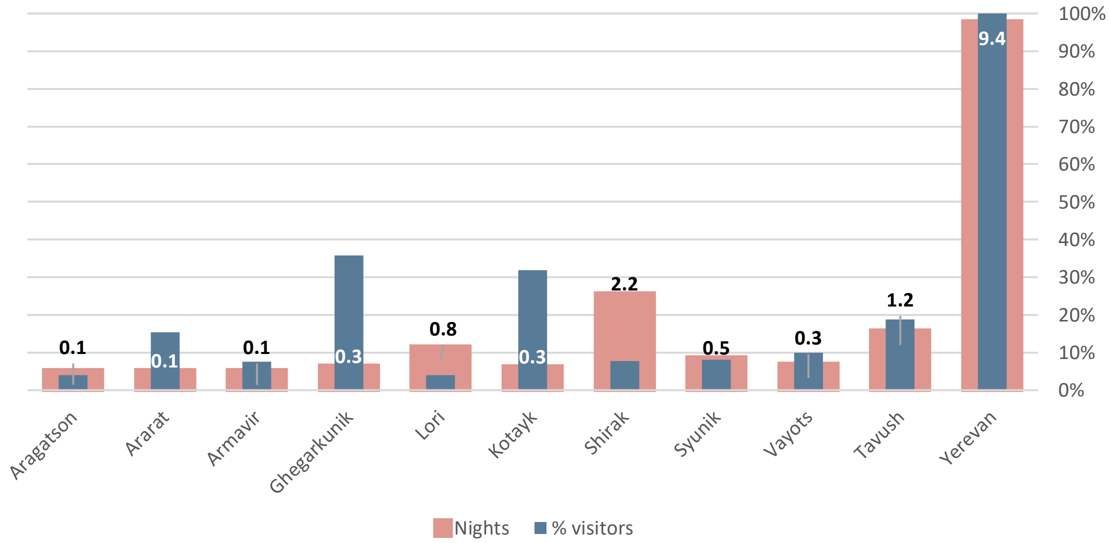
Source: elaboration of 2023 Armenian International Visitor Survey

2.4.2. Places visited

[19] https://www.tripadvisor.com/Hotels-g293931-zfd21372-a_ufe.true-Armenia-Hotels.html

In terms of overnight stays, Yerevan dominates the tourism sector, with an average of 9.4 nights, whereas other regions (marzes) typically see a presence of less than 1 night (light red columns in the chart below). Only Shirak and Tavush stand out with stays exceeding one night, while the remaining regions are primarily visited as same-day destinations. The fact that Yerevan concentrates more than 50% of the accommodation establishments in the country is a confirmation of the above data. Interesting to note the correspondent share of tourists visiting different regions (light blue columns): apart from Yerevan, which is visited by the totality of tourists, between 30 and 40% of tourists declared to have visited Ghegarkunik and Kotayk regions, between 10 and 20% Ararat and Tavush regions, while other areas have been visited by less than 10% of tourists. This is only partially due to the proximity to Yerevan, which is the natural base point for same-day visits, as other areas with important natural and cultural attractions showed a low level of visits.

Chart 23: Length of stay and share of tourists per destination/marz



Source: elaboration of 2023 Armenian International Visitor Survey

Regarding visits to different marzes by tourists from the main countries of residence, the data is generally in line with the overall trend. What is interesting to note is the different aptitude to discover attractions around Armenia: provided that 100% of tourists move from Yerevan, French, German and USA tourists are the most inclined to spend time visiting Armenian regions, even on a same-day visit. On the other side, tourists from Georgia, Iran and Cyprus are less inclined to go outside Yerevan. French tourists are a benchmark in this sense, as their share of visitors exceeds the total average in all regions, reaching twice the average presence in the regions less visited, like Aragatsotn and Lori.

Table 8: Share of tourists per marz visited and country of residence. 2023

	TOTAL	RUS	GEO	IRA	UAE	USA	FRA	GER	UK	CYP	CHI
Yerevan	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Aragatsotn	4.0%	3.6%	2.0%	0.0%	7.7%	6.5%	8.9%	5.4%	0.0%	0.0%	0.0%
Ararat	15.3%	16.7%	4.9%	1.8%	14.8%	24.7%	25.6%	20.4%	20.7%	5.3%	12.5%
Armavir	7.5%	8.0%	3.8%	1.1%	4.4%	16.1%	11.1%	10.8%	8.5%	1.3%	4.2%
Ghegarkunik	35.8%	38.1%	17.3%	28.4%	39.8%	40.9%	38.9%	39.8%	29.3%	24.0%	16.7%
Lori	4.0%	3.5%	3.5%	0.4%	2.0%	9.7%	7.8%	9.7%	3.7%	2.7%	4.2%
Kotayk	31.8%	34.7%	12.2%	9.1%	42.0%	39.8%	35.6%	40.9%	30.5%	25.3%	16.7%
Shirak	7.8%	8.7%	4.0%	2.1%	4.2%	5.4%	14.4%	12.9%	3.7%	2.7%	4.2%
Syunik	8.0%	7.7%	2.4%	4.6%	8.0%	15.1%	17.8%	12.9%	8.5%	4.0%	2.1%
Vayots Dzor	9.9%	9.6%	3.3%	1.8%	15.0%	19.4%	14.4%	17.2%	15.9%	5.3%	12.5%
Tavush	18.8%	19.8%	9.3%	6.7%	17.7%	0.0%	28.9%	2.2%	17.1%	10.7%	12.5%

Source: elaboration of 2023 Armenian International Visitor Survey

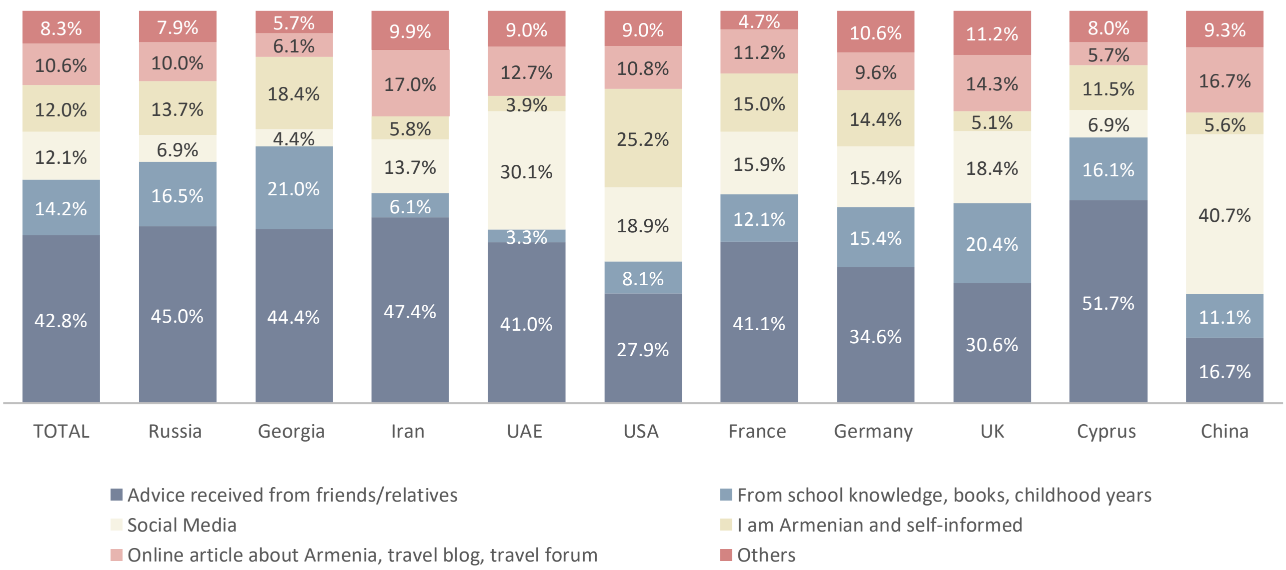
2.4.3. Information sources about Armenia

The most frequently used information sources among tourists, according to the 2023 IVS, were the advice received from friends and relatives, with 42.8% of answers mentioning its relevance. Information gathered from traditional knowledge (books, school studies, memories) followed (14.2%), while alternative, more technological sources didn't reach a large audience until now: social media was mentioned by 12.1% of tourists and online researches by 10.6%. 12% of tourists were Armenians themselves, who did not need any information source to decide their destination. Notably, other sources like punctual marketing tools ("Airline advertisement campaigns" and "Promotion at tourism exhibitions") were rarely mentioned and did not show a significant share.

By source market, some interesting issues can be noted, as a variation in the overall shares:

- "Social Media" was particularly relevant for tourists from China (40.7%), and the UAE (30%), while it was less relevant for those from Georgia (4.4%), Cyprus (6.7%), and Russia (6.9%).
- Online content (blogs, articles, etc.) was significant for visitors again from China (16.7%), Iran (17%), and the UK (14.3%), less for tourists from Cyprus and Georgia.
- The highest concentration of Armenian nationality among tourists originated from USA (25.2%) and Georgia (18.4%), while the lowest number of Armenians among the top markets came from the UK, China and Iran.

Chart 24: Information source that motivated to visit Armenia, per source market (in %)



Source: elaboration of 2023 Armenian International Visitor Survey

Regarding the use of information sources based on whether tourists arrived with or without a package, there are few notable differences: the direct source of information from friends and relatives is dominant in both cases. It is interesting to note that tourists utilizing travel packages are more active on the web, looking for online information (social media and travel web info), while independent travelers use mostly traditional sources of information, like friends/relative, TV shows, books, etc.

Table 9: Information sources that motivated tourists to visit Armenia, per trip modality

	With package tour	Without package tour
Advice received from friends/relatives	s37.3%	43.4%
TV show about Armenia	2.6%	2.3%
An article about Armenia in a travel magazine	2.6%	1.7%
Online article about Armenia, travel blog, travel forum	11.0%	10.5%

Social Media	21.6%	11.0%
Pavilion representing Armenia at the tourist exhibition	0.1%	0.1%
Advertising by airline company	1.2%	0.8%
Promotion of an interesting/affordable package provided by a local travel agency	8.5%	0.6%
I am Armenian and self-informed	4.5%	12.9%
From school knowledge, books, childhood years	9.3%	14.8%
From an employer, partners, colleagues	1.0%	1.0%
From other tourists	0.0%	0.1%
It's not the first time I am in Armenia	0.3%	0.8%

Source: elaboration of 2023 Armenian International Visitor Survey

In general, "Social Media" was particularly effective across various visitor demographics, making it a highly valuable tool for engaging potential tourists. Online content like blogs and articles also played a significant role, particularly for visitors from certain regions. Conversely, traditional marketing tools had a minimal impact, highlighting a shift towards digital and more interactive platforms for influencing travel decisions. This pattern suggests that Armenia should focus its marketing efforts on digital strategies to effectively attract and engage international visitors.

2.4.4. Final considerations and recommendations

I. Diversification of tourism offerings

The data shows that while nature/sightseeing is the top motivation (36.1%), there is significant interest in historical/cultural heritage (29.6%) and gastro-tourism (11.7%), mainly from top European markets. Armenia should continue developing and promoting these diverse offerings to appeal to a wider range of tourists. On the other side, and also considering the strong potentiality of its attractions, there is a strong need to improve Armenia's management capacity of natural and cultural resources: the country is ranked at 110th and 86th position respectively in the Travel & Tourism Development Index 2024 in this respect. This gap is mostly related to limitations in terms of country promotion and identification: Armenia is largely under the country averages in all indicators concerning Tourism resources dimensions, like number of World Heritage sites, number of protected areas and/or eco-regions, web searches on cultural and natural

II. Growing markets

Some markets, like China, the UAE and the UK, where over 70% of visitors are first-time tourists to Armenia, must be specifically targeted, in order to leverage this interest and catalyze investments. Moreover, following best practices from other developing economies, Armenia should focus on sustainable tourism development, investing in responsible tourism management in order to attract target segments more sensible to these practices, like Northern European and USA tourists.

III. Distribution of tourism at the regional level

The data indicates a heavy concentration of tourism in Yerevan, with over 50% of accommodation establishments located there. To spread economic benefits and reduce pressure on the capital, Armenia should focus on developing tourism infrastructure and attractions outside the capital.

IV. Digital marketing and online presence

While word-of-mouth remains the dominant information source (42.8%), there's growing importance of social media (12.1%) and online research (10.6%). In particular, social media platforms hold greater prominence in Armenia compared to conventional websites. Influencer marketing, social media engagement, immersive content creation, personalized experiences, and blogging have emerged as pivotal strategies for tourism promotion. These approaches are tailored to various travel niches, encompassing adventure, cultural exploration, and gastronomic experiences. Armenia should continue investing in a robust digital marketing strategy, maintaining an active social media presence, and forming

V. Seasonal distribution

The data shows tourism concentration in the central quarters of the year. Shoulder seasons, including October, November, and March, as well as the low season from early December to late February, witness comparatively lower tourist activity. Armenia should develop and promote off-season attractions and events to cater to different visitor segments and extend the tourism season, by developing niche tourism products such as wine tourism, adventure tourism, and wellness tourism and creating itineraries that

2.4.5. Main pillars of the national tourism strategy

IVS' analysis and relevant considerations allow to suggest some key pillars for the implementation of the national tourism strategy:

II. Technology and innovation

It suggests potential investments in digital infrastructure, smart tourism initiatives, and support for tech startups in the tourism sector. To cater to the needs of modern travelers and improve destination management, Armenia has to:

- Develop a comprehensive digital tourism platform providing information, booking services, and virtual experiences;

III. Sustainable infrastructure development

Armenia's ranking about sustainability is still under the country averages. According to TTDI, the country [illegible]th for environmental policies, and 99th for nature preservation actions. Increasing this ranking will preserve Armenia's natural and cultural assets while improving visitor experiences. This includes:

- Developing eco-friendly accommodations and facilities to cater to the growing leisure segment while minimizing environmental impact;
- Implementing eco-certification programs for tourism professionals and developing guidelines for sustainable tourism development;
- Actively monitoring the climate change concerns in the management of the Tourist Cluster System.

IV. Targeted financial instruments

To support tourism development, Armenia should consider creating specialized financial instruments, such as:

- Public-private partnerships (PPPs), to attract private sector expertise and capital and accelerate the development of key tourism sites and infrastructure while maintaining quality standards, like in the case of the Tatev Revival Project;
- Investment incentives for tourism projects in underdeveloped regions to promote balanced regional growth;
- Tourism development funds to provide low-interest loans or grants for small and medium-sized tourism enterprises;

I. Key infrastructure development

Investments in infrastructure stand at the top of the list of tourism needs. TTDI ranks Armenia 51th for government Travel & Tourism expenditure, calculated as share of public budget, but the country is 84th in terms of infrastructure and services. It means that relevant investments must be adjusted in effectiveness and performance. They include:

- Improving and maintaining road infrastructure, as an example in regions like Lori and Aragatsotn, that show the lowest presence of tourists;
- Improving the creation of Tourism Clusters for integrated tourism experiences and developing tourism

2.5. VISITOR SPENDING BEHAVIOR

2.5.1. Main expenditure-related figures

International visitors in Armenia average a total expenditure of US$ 776.9 per person in 2023. With the above-mentioned average length of stay of 15.3 days, this equates to an average daily expenditure of US$ 50.8 while in Armenia.

Table 10: Main expenditure-related figures of inbound visitors in Armenia (in US$)

	TOTAL EXPENDITURE per person	AVERAGE LENGTH OF STAY (nights)	AVERAGE DAILY EXPENDITURE
2023	US$776.9	15,3	US$50.8
2013	US$728	17,4	US$41.9

Source: elaboration of 2023 Armenian International Visitor Survey

The average spending per person has increased in absolute values to 2013, but taking inflation into account, it can be assumed that the spending capacity of visitors has been consistent. This result has been achieved despite some relevant factors: the lowering of the average age of visitors (assuming a reduced spending capacity among youth), the decrease of business-related trips (usually having high spending levels). In addition, the daily average expenditure increased, due to the reduction in the average length of the stay. By source markets, the differences are significant:

- Russia, the main source market for Armenia in 2023, had an average individual spending of US$ 860, with visitors staying for over 18 days in the country, and a daily spending of US$ 46.7.
- Visitors from Georgia, the second largest source market, spent much less, with only US$ 311 per trip and half the length of stay of the Russians (9 nights), resulting in US$ 35 per person/day while in Armenia.
- The USA exhibited the highest spending power among source markets, averaging US$ 1,274 per person (1.6 times the overall average). Per person, they outspent visitors from European markets, with Germany at US$ 1,075, France at US$ 1,112.6 and UK at US$ 780.
- UAE and UK markets boasted the highest daily expenditure, reaching US$ 126 and US$ 124 respectively, which is around 2.5 times the overall average.

Table 11: Average spending per person and per day, per source market (in US$)

	Spend per person	Length of stay	Spend per day
TOTAL	776.9	15.3	50.8
Russia	859.9	18.4	46.7
Georgia	311.5	8.9	35.0
Iran	442.3	9.7	45.6
UAE	935.4	7.4	126.4
France	1112.6	17.8	62.5
USA	1273.9	16.7	76.3
Germany	1075.3	12.9	83.4
Cyprus	364.0	4.0	91.0
UK	780.3	6.3	123.9
China	640.9	9.8	65.4

Source: elaboration of 2023 Armenian International Visitor Survey

2.5.2. Expenditure analysis by purpose of visit

Looking at the expenditure data based on the purpose of the trip, it's notable that international travelers visiting Armenia for leisure spend around than US$ 62 per day, almost 1.5 times as much as those visiting friends or relatives (US$ 42). Conversely, visitors arriving for educational purposes have very low daily spending, at only US$ 24.6, mainly because of their extended stays. Business and MICE (Meetings, Incentives, Conferences, and Exhibitions) visitors spend US$ 61 and US$ 46.5 per day respectively, which jointly surpass the daily average spending, even considering longer stays in Armenia.

Table 12: Average visitor expenditure per trip purpose (in US$ and nights)

	Spend per person	Length of stay	Spend per day
TOTAL Average	776.9	15.3	50.8
Leisure	710.2	11.5	61.8
VFR	744.9	17.7	42.1
Business	1101.0	18.0	61.2
Employment	961.9	24.4	39.4
MICE	572.1	12.3	46.5
Education	1094.1	44.4	24.6
Health	1886.9	15.9	118.7
Long Stay Student	2207.1	55.5	39.8

Source: elaboration of 2023 Armenian International Visitor Survey

2.5.3. Expenditure by trip arrangement

By trip arrangement, international visitors arriving in Armenia with package tours spend much more per day than those without package tours, amounting to US$ 193 compared to US$ 48. This discrepancy is due to the fact that independent travelers, summing 94% of arrivals in 2023, include segments with traditional low spending behavior.

Table 13: Average visitor expenditure per trip arrangement (in US$ and nights)

	Spend per person	Length of stay	Spend per day
TOTAL Average	776.9	15.3	50.8
With package tour	888.1	4.6	193.1
Without package tour	770.2	16.0	48.1

Source: elaboration of 2023 Armenian International Visitor Survey

When analyzing spending capacity by type of accommodation, the data shows, as easily understandable, that the highest individual spending is linked to longer permanence: staying in apartments and clinics accounts for 1,416.7 US$ and 781 US$ respectively. Visitors lodging at hotels showed the highest daily expenditure, marking more than 2.5 times (131 US$) the overall average, followed by residents in Guesthouses and B&Bs (86.4 US$). These two accommodation options are of course the costliest, and in general, visitors choosing them tend to have a major spending behavior when in the country.

Table 14: Average visitor expenditure per accommodation type (in US$ and nights)

	Spend per person	Length of stay	Spend per day
TOTAL Average	776.9	15.3	50.8
Hotel	721.3	5.5	131.1
Hostel	444.9	9.4	47.3
Apartment	1416.7	37.3	38.0
Guesthouse	838.4	9.7	86.4
Family or Friends	772.9	17.7	43.7
Sanatorium	780.8	28.4	27.5

Others	346.5	6.8	51.0

Source: elaboration of 2023 Armenian International Visitor Survey

The expenditure per age group and type of trip arrangement shows consistency with the overall average pattern (independents spend less than organized visitors on a per-day basis), but it allows verifying how older groups tend to spend more on packaged tours, reaching 970 US$ spent per trip in the 55–64-year segment, and 1,373 US$ in the 65+ year segment. The trend is opposite with respect to travelers without packages: the oldest age group spent considerably less, both individually and per day (558 US$ and 26.6 US$ respectively). In both trip arrangement modalities, the category of youngest visitors (18-24 years) is characterized by a very low capacity of daily spending.

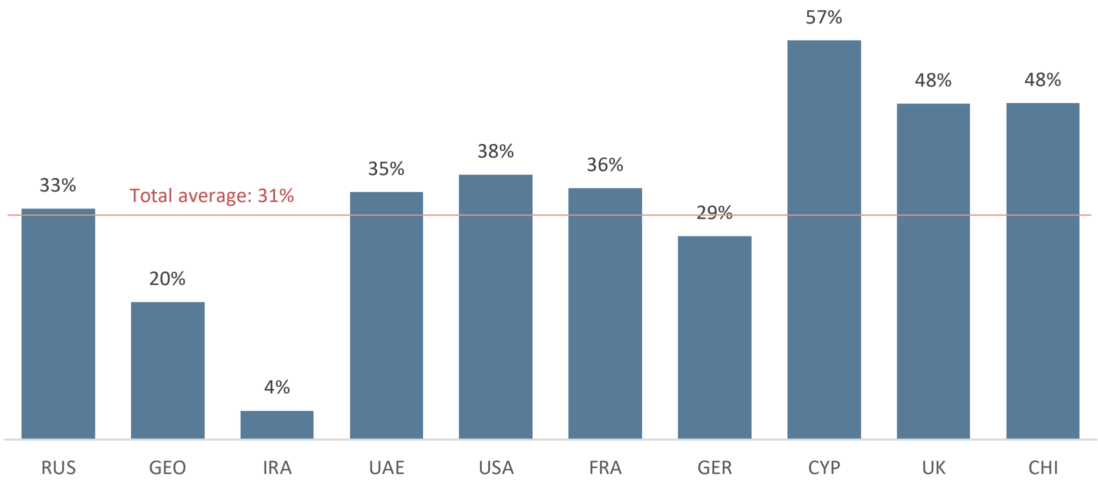
Table 15: Average visitor expenditure per trip arrangement and age group (in US$ and nights)

	With Package tour		Without package	
	Per person	Per day	Per person	Per day
TOTAL Average	888.1	193.1	770.2	48.1
18-24 years	731.5	67.1	796.4	34.6
25-34 years	680.3	181.6	878.5	52.7
35-44 years	771.2	181.9	781.2	64.4
45-54 years	810.5	202.6	625.2	52.2
55-64 years	969.8	198.6	835.3	49.7
65 + years	1372.8	243.6	558.3	26.6

Source: elaboration of 2023 Armenian International Visitor Survey

Regarding payment methods, 31% of expenses by international visitors were paid with foreign bank cards. This rate increases significantly for visitors from Cyprus (57%), the UK (48%), and China (48%). Russians used bank cards for 33% of their expenses, while Georgians and Iranians used them for 20% and 4%, respectively.

Chart 25: Share of payments through bank cards per source market



Source: elaboration of 2023 Armenian International Visitor Survey

2.5.4. Expenditure breakdown by items

The survey reveals that the categories of “Food and Beverage” and “Accommodation” account for the largest shares of expenditure, representing 28% and 23% of total expenses, respectively. Additionally, 25% of visitor spending is categorized as “Other expenses”.

Analyzing expenditure by source market, Russian visitors allocate around 28% of their spending to Food and Beverage and around 23% to Accommodation, mirroring the overall average. Differently, visitors from other markets, such as the UAE, France, and Iran, spend more than 30% on Food and Beverage. Accommodation expenses are particularly significant for visitors from Cyprus, comprising 34% of their total expenditure. Notably, Shopping constitutes 20% of the expenditure for visitors from Iran and 18% for those from Germany. The “Other expenses” category accounts for 36% of the spending of visitors from Georgia.

Table 16: Itemized average expenditure from Armenia's top source markets

	Internal transport	Accommo-dation	Food & Beverage	Culture & sports	Shopping	Other expenses
TOTAL	7.2%	23.3%	28.1%	2.4%	14.2%	24.8%
Russia	6.0%	22.7%	27.6%	2.2%	15.2%	26.2%
Georgia	7.5%	17.9%	26.5%	1.2%	10.9%	36.0%
Iran	6.3%	25.5%	31.3%	1.5%	20.0%	15.3%
UAE	6.1%	19.8%	36.5%	3.8%	10.6%	23.2%
France	8.9%	12.5%	33.9%	1.0%	16.1%	27.5%
USA	9.7%	28.6%	29.0%	3.7%	13.7%	15.3%
Germany	5.0%	17.6%	28.8%	4.5%	17.9%	26.2%
Cyprus	8.0%	34.3%	27.4%	4.5%	14.4%	11.5%
UK	9.1%	30.7%	24.1%	10.8%	7.2%	18.2%
China	6.0%	22.7%	27.6%	2.2%	15.2%	26.2%

Source: elaboration of 2023 Armenian International Visitor Survey

2.5.5. Final considerations and recommendations

The Section concerning expenditure reflects findings concerning visitors’ profiles and behavior, so the relevant recommendations mostly recall previous considerations. Here below the most evident challenges, in the perspective of the improvement of expenditure levels.

I. Low daily expenditure

The average daily expenditure of US$ 51.9 is still relatively low, especially for non-package tourists (US$ 49/day). Its increase is crucial for boosting overall tourism revenue. Changes in shares towards high-spending segments are encouraging, and must be combined with the promotion of longer stays and regional dispersal: the development of attractions and infrastructure in regions outside Yerevan will increase overall spending, encouraging visitors to extend their trips by creating multi-destination

II. Focus on leisure tourists

Leisure tourists have the highest daily expenditure at US$ 63 per day, compared to US$ 43.5 for VFR tourists. On the other side, they are characterized by short length of stay: while the overall average stay is 15.3 days, leisure tourists only stay for 11.5 days on average. Extending this figure would increase total expenditure. Again, a strategic focus would target the leisure visitors to develop and promote premium experiences and packages for specialized offerings in areas like adventure tourism, wellness,

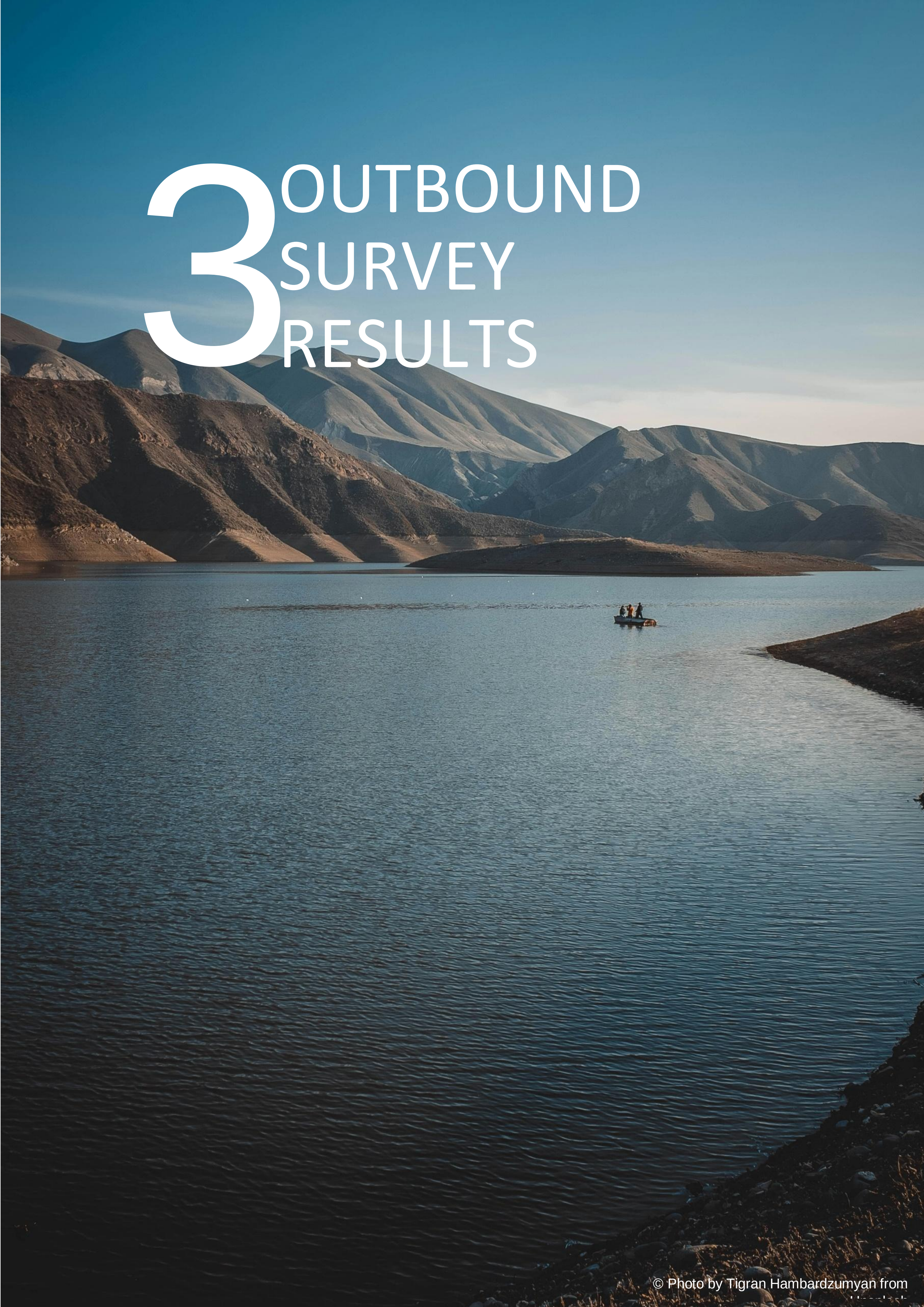
III. Limited use of package tours

Only 5.4% of visitors use package tours, which have considerably higher daily expenditures (US$ 198.2/day vs US$ 49/day for independent travelers). Working with international tour operators to create attractive all-inclusive luxury packages, and improving online presence and direct booking options to capture more high-value independent travelers would increase package tour usage and boost spending

IV. Limited high-end offerings

The data suggests a limited luxury or premium tourism products that could attract higher-spending visitors. Moreover, only 2.4% of expenditure goes to visits and sightseeing, indicating limited tourism product offerings or uptake. The offering for high-end targets should include premium products and experiences that command higher prices: accommodations, dining options, and unique, immersive cultural and nature-based experiences to cater to luxury travelers.

3 OUTBOUND SURVEY RESULTS



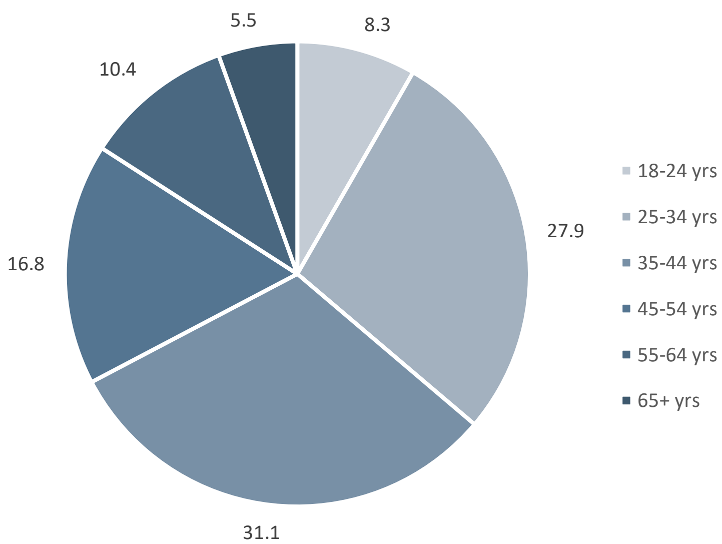
3. OUTBOUND SURVEY RESULTS

3.1. VISITORS DEMOGRAPHIC PROFILE

3.1.1. Socio-demographic profile of outbound visitors

In 2023, the majority of outbound travelers from Armenia fell within the 35-44 and 25-34 age groups, comprising 31.1% and 27.9% of respondents, respectively. Combined with the 45-54 and 55-64 age groups, which together accounted for an additional 27.2%, over 86% of travelers were between the ages of 25 and 64.

Chart 26: Departures from Armenia per age group



Source: elaboration of 2023 Armenian International Visitor Survey

Regarding gender distribution, male travelers outnumbered females, with 61.7% being male and 38.3% being female. It follows the trend as ten years ago, when nearly 60% of respondents were male. Excluding visitors travelling abroad for work purposes, the share of male travelers decreases until 57.3%.

3.1.2. Distribution of outbound visitors by destination countries

The most frequented countries by Armenian residents in 2023 were Georgia, Russia, Egypt, Iran, and the UAE. Four out of these five destinations were also among the top five in the 2013 report. However, significant changes have occurred: Georgia emerged as the most visited country, capturing 35% of travelers, an increase of nearly 10% from previous data. This growth came largely at the expense of Russia, whose share dropped by 35%, making it the third most visited country.

Both Iran and the UAE saw their shares roughly double, while Egypt showed the most surprising growth, rising from less than 1% in 2013 to 14.4% in 2023, surpassing Russia's current share. When excluding work-related travels Egypt’s share again surpasses Russia's, while Iran’s falls by about 8%, positioning Italy as the fifth most popular destination. Overall, there is a notable trend towards a more diverse distribution of travel destinations compared to 2013.

Table 17: Top destination countries

	2013 (everyone included)	2023 (everyone included)	2023 (excluding work related travelers)
Georgia	24.8%	35.0%	38.8%
Egypt	< 1%	14.4%	16.3%
Russia	48.2%	13.2%	13.1%
UAE	3.9%	7.6%	8.4%
Italy	1.1%	3.1%	3.4%
Cyprus	< 1%	1.9%	2.2%
Türkiye	4.2%	16%	1.6%
Iran	4.4%	9.9%	1.7%
France	< 1%	1.6%	1.8%
Tunisia	< 1%	1.1%	1.2%

Source: elaboration of 2023 Armenian International Visitor Survey

The correlation between gender and travel destination appears relatively weak, maintaining a similar female-to-male ratio across most destinations. Notably, Iran stands out with 96.4% male visitors, which is an increase from 79.4% in 2013. Conversely, a few destinations have a quite shared visitors by females and males, including Italy, Georgia, and France, with female visitor percentages of 44.1%, 48.7%, and 49.8%, respectively.

When comparing destination countries with age groups, the average distribution of the top 10 destinations remains largely consistent, with some variations in the 25-34 age group. For instance, this age group shows lower representation in France (19.1%), Iran (14.3%), Russia (18.8%), and Türkiye (18%), but higher representation in Egypt (40.5%) and Tunisia (46.8%).

Table 18: Age and gender by Top 10 destination country

	TOTAL	Georgia	Egypt	Russia	UAE	Italy	Cyprus	Türkiye	Iran	France	Tunisia
Males	61.7%	51.3%	61.9%	66.3%	64.0%	55.9%	67.2%	55.9%	96.4%	50.2%	57.9%
Females	38.3%	48.7%	38.1%	33.7%	36.0%	44.1%	32.8%	44.1%	3.6%	49.8%	42.1%
18-24 yrs	8.3%	10.9%	9.2%	8.0%	8.6%	6.9%	8.3%	3.5%	1.5%	5.8%	6.9%
25-34 yrs	27.9%	27.6%	40.5%	18.8%	34.3%	30.6%	36.3%	18.0%	14.3%	19.1%	46.8%
35-44 yrs	31.1%	26.9%	28.9%	33.4%	33.2%	38.4%	34.2%	32.6%	36.9%	43.4%	24.4%
45-54 yrs	16.8%	17.4%	11.6%	18.3%	15.0%	17.0%	13.2%	22.3%	22.8%	12.0%	14.4%
55-64 yrs	10.4%	10.1%	6.8%	13.4%	6.5%	4.6%	3.6%	12.6%	20.3%	15.6%	6.3%
65+ yrs	5.5%	7.0%	3.0%	8.0%	2.4%	2.6%	4.4%	11.1%	4.2%	4.1%	1.2%

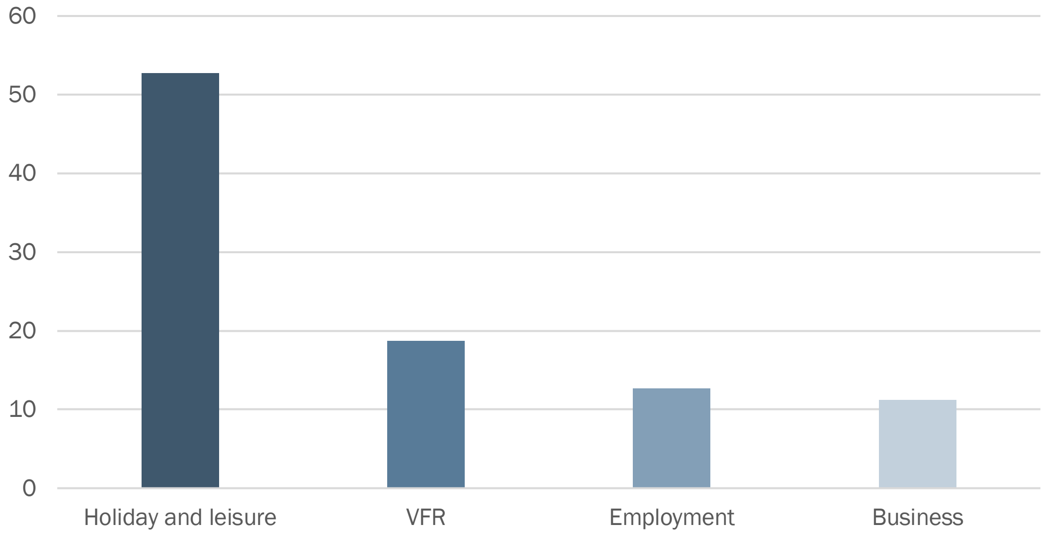
Source: elaboration of 2023 Armenian International Visitor Survey

3.2. TRAVEL PURPOSE AND PREFERENCES

3.2.1. Travel purpose

Leisure has become the primary reason for Armenians travelling abroad in 2023, with more than half (52.7%) of the respondents citing this as their main purpose. This marks a significant increase from 2013, when only 18.7% traveled for holidays and leisure. Ten years ago, visiting friends and relatives (VFR) was the leading purpose at 35.7%, a figure that has now dropped to 18.7%, making it the second most common reason for travel. The notable rise in holidays and leisure travel has led to a decrease in other travel purposes, with the top five accounting for 97.6% of all trips.

Chart 27: Top 4 primary purposes of the travel



Source: elaboration of 2023 Armenian International Visitor Survey

Armenians primarily visited the top 10 destination countries for holidays and leisure purposes. Cyprus (93.7%), Egypt (98.7%), and Tunisia (100%) were almost exclusively visited for this reason. Conversely, Russia (17.7%) and Iran (2.2%) were mostly visited for VFR and employment purposes, respectively.

Table 19: Share of destination countries per main travel purpose

	Holidays and leisure	VFR	Business	Employment	MICE	Others
TOTAL	52.7%	18.7%	11.2%	12.1%	2.3%	3.0%
Georgia	49.5%	28.4%	13.5%	1.7%	2.8%	4.2%
Egypt	98.7%	0.4%	0.4%	0.2%	0.3%	0.0%
Russia	17.7%	45.9%	16.8%	12.2%	2.6%	4.8%
UAE	80.5%	3.0%	11.3%	2.1%	1.3%	1.8%
Italy	83.8%	1.7%	8.0%	1.7%	2.7%	2.2%
Cyprus	93.7%	0.3%	4.0%	0.4%	1.0%	0.6%
Türkiye	24.4%	14.5%	34.5%	13.4%	5.2%	8.0%
Iran	2.2%	5.0%	5.7%	84.5%	1.8%	0.9%
France	63.8%	13.7%	8.6%	7.2%	2.3%	4.4%
Tunisia	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: elaboration of 2023 Armenian International Visitor Survey

When examining travel purposes by age group, Leisure is confirmed as the predominant reason across all age groups, particularly among younger travelers (65.5% for ages 18-24 and 65.1% for ages 25-34). The only exception is the 65+ age group, where holidays and leisure account for just 28.9% of trips. This age group also has the highest percentage of trips for medical treatment and funerals, and mainly travels to visit friends and relatives (47.8%).

In terms of gender, the distribution of travelers is quite balanced for holidays and leisure purposes and VFR, which constitute the majority of trips. However, business and employment trips, which still represent a significant share, are predominantly undertaken by men.

Table 20: Share of age and gender groups per main travel purpose

	Holidays and leisure	VFR	Business	Employ-ment	MICE	Others
Males	46.7%	15.6%	14.3%	18.2%	2.4%	2.7%
Females	62.5%	23.8%	6.1%	2.2%	2.1%	3.4%
18-24 yrs	65.5%	15.7%	10.0%	3.3%	2.0%	3.6%
25-34 yrs	65.1%	11.1%	11.2%	7.9%	2.0%	2.7%
35-44 yrs	52.1%	16.1%	13.6%	13.5%	2.7%	2.0%
45-54 yrs	44.2%	21.7%	11.6%	16.8%	2.0%	3.7%
55-64 yrs	37.7%	29.5%	7.2%	21.0%	1.8%	2.9%
65+ yrs	28.9%	47.8%	6.1%	6.7%	3.9%	6.5%

Source: elaboration of 2023 Armenian International Visitor Survey

3.3. TRAVEL BEHAVIOUR

3.3.1. Type of travel arrangement

Armenians travelling abroad have shown a consistent preference for independent travel over package tours, both in 2013 and today. In 2023 the majority of respondents (70.4%) still preferred to travel independently. Among outbound visitors selecting package tours, almost the totality (96.3%) traveled for leisure, they constitute 47.7% of all Leisure and holiday travelers.

Table 21: Share of travelers per main purposes and travel arrangement

	Travel purpose			Travel arrangement	
	TOTAL	Package tour	Own arrangement	Package tour	Own arrangement
TOTAL	100.0%	100%	100%	29.6%	70.4%
Holidays and leisure	52.7%	96.3%	37.3%	47.7%	52.3%
VFR	18.7%	0.5%	25.1%	0.7%	99.3%
Business	11.2%	1.8%	14.5%	4.1%	95.9%
Employment	12.1%	0.3%	16.2%	0.6%	99.4%
MICE	2.3%	0.5%	2.9%	5.5%	94.5%
Others	3.0%	0.6%	3.8%	4.2%	95.8%

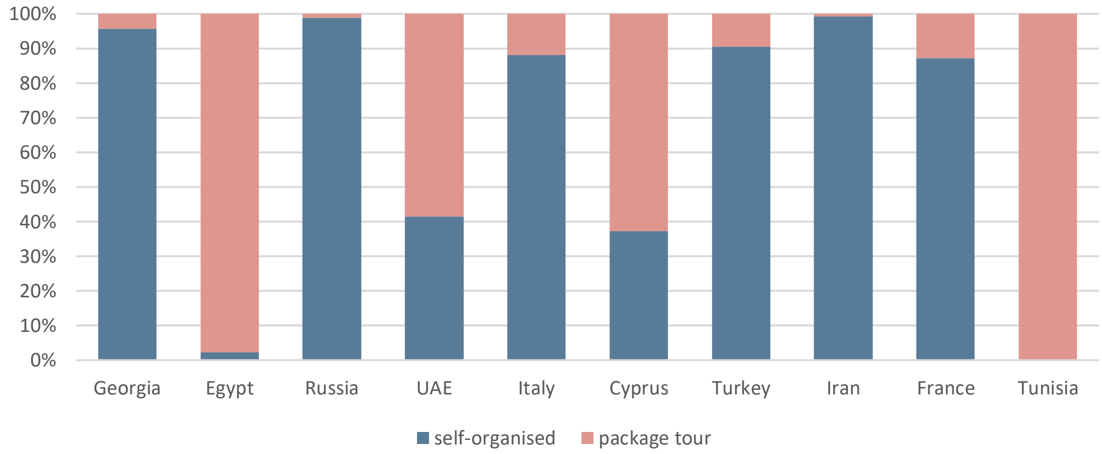
Source: elaboration of 2023 Armenian International Visitor Survey

While these figures represent the overall average, a closer examination reveals significant variations depending on the destination. For the top 10 visited countries, the preferences are as follows:

- self-organized trips are preferred, to a greater extent than the average, for trips to France (87.2%), Italy (88.2%), Türkiye (90.5%), Georgia (95.7%) and especially Russia (98.8%) and Iran (99.2%);
- package tours dominate in other countries, this preference being sometimes slight, as in the case of the UAE (58.5%) and Cyprus (62.7%), and sometimes strongly marked, as in the case of Egypt (97.7%) and above all Tunisia (100%).

This data highlights a clear dichotomy in travel preferences, with certain destinations being overwhelmingly favored for independent travel, while others are predominantly visited through package tours.

Chart 28: Trip arrangement for the top 10 destination countries



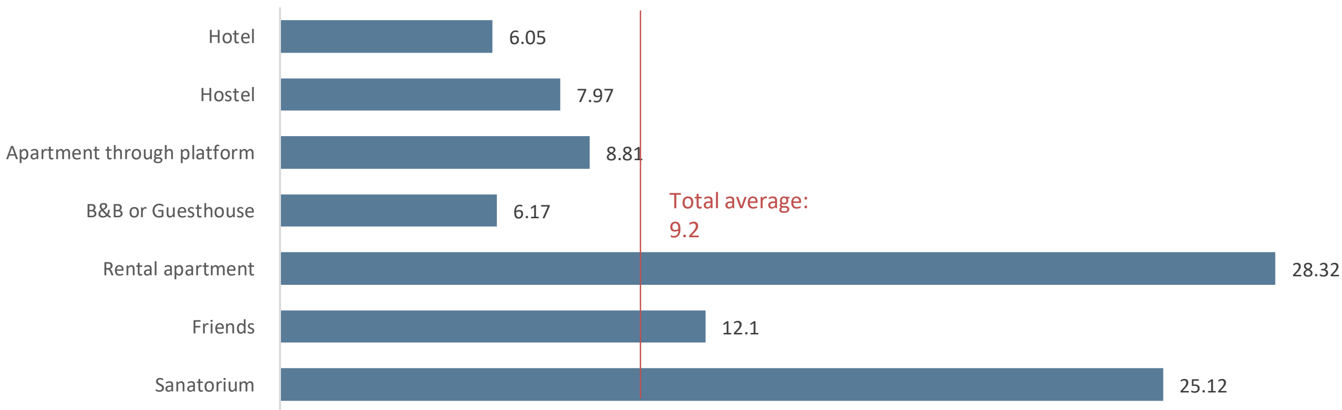
Source: elaboration of 2023 Armenian International Visitor Survey

3.3.2. Length of stay

In comparison to 2013, the average length of stay for Armenians travelling abroad has decreased significantly, with the overall mean dropping from 44.5 days to 9.2 days over the past decade. This contraction was observed across all types of trips, regardless of their purpose, and it remains very relevant, even though it was probably influenced by the growth of holidays and leisure trips, which are typically shorter than other types of trips. The length of holidays and leisure trips themselves shrank to less than a third of the length recorded in 2013 (from 17 to 6.9 days), in a similar manner to the reduction observed in VFR trips (from 33 to 10.5 days).

When the length of stay is considered in conjunction with the type of accommodation selected, we predictably observe longer stays for rental apartments (28.3 days), sanatoriums (25.1 days), and friends' homes (12.1 days). All of these types of accommodations are indeed more likely to be associated with extended stays, such as those related to medical treatment or education. Also, travelers booking apartments on platforms experience quite longer stays (8.8 days). On the other hand, those who choose to stay in hotels, hostels, B&Bs or guesthouses and other accommodations generally opt for much shorter stays, with an average length of less than half that of the aforementioned categories.

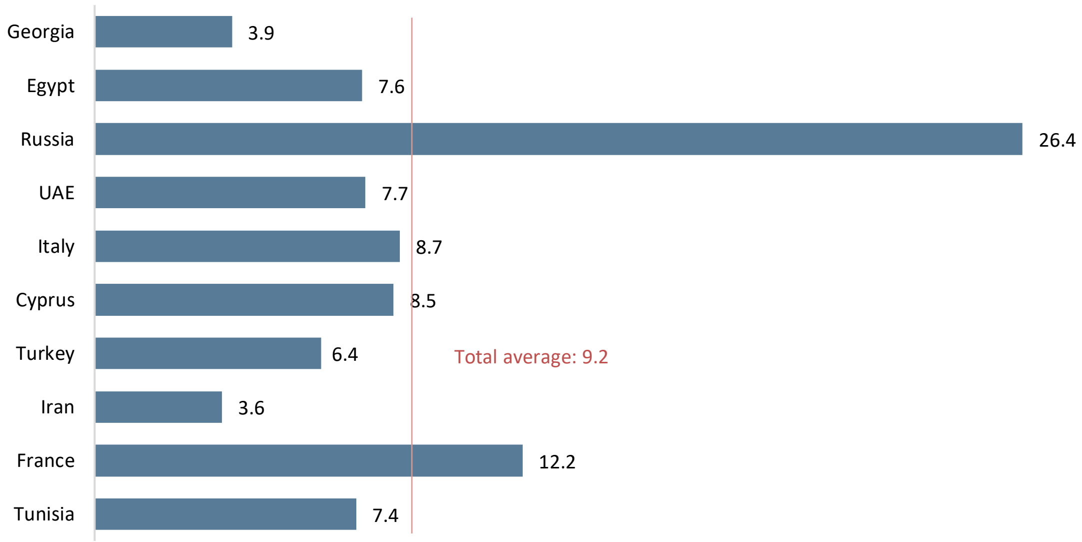
Chart 29: Number of overnights per type of accommodation



Source: elaboration of 2023 Armenian International Visitor Survey

Geographical proximity also influences the length of stay, with closer countries generally associated with shorter trips due to practical considerations. For instance, the shortest trips were recorded for neighboring countries such as Iran and Georgia, with stays averaging less than 4 days. However, trips to Russia, where travels are influenced by job purposes, and France, a country with a strong presence of the Armenian diaspora, were the longest recorded, with average stays of 26.4 and 12.2 days, respectively. Overnights in other countries, where the stable presence of Armenians is limited, and travels more motivated by leisure purposes, are quite close to average.

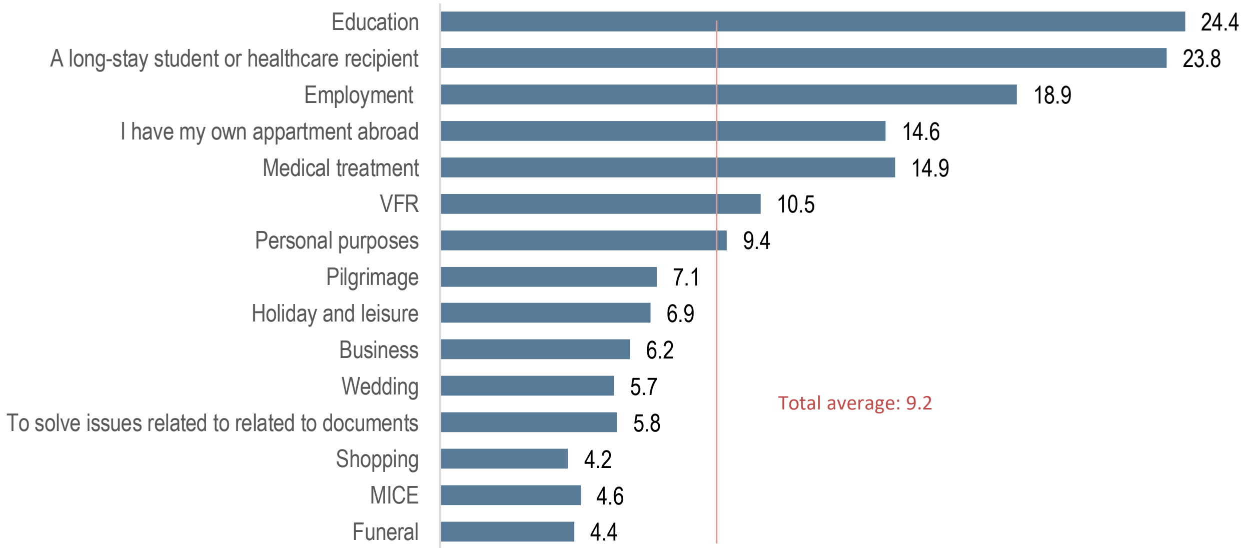
Chart 30: Number of overnights for the 10 top destination countries



Source: elaboration of 2023 Armenian International Visitor Survey

Examining the correlation between the number of overnights spent abroad and the purpose of the trip further highlights the significant role of trip purpose. Trips related to medical treatment and education, as well as those undertaken by long-stay students and healthcare recipients, tend to extend over longer periods, averaging between two and more than three weeks. However, the majority of Armenian travelers experience much shorter stays, as the top three trip purposes (leisure, VFR, and business) are associated with stays ranging from 6 to 10 days.

Chart 31: Number of overnights for trip purposes



Source: elaboration of 2023 Armenian International Visitor Survey

3.3.3. Accommodation preferences

The majority of respondents—who could select more than one option—indicated that they stayed in either hotels (53.6%) or at their own homes or the homes of relatives or friends (28.3%) while abroad. In contrast, in 2013, these percentages were nearly reversed, with 52% staying at the homes of relatives and friends and only 23% choosing hotels. This shift reflects the change in the main purpose of travel from visiting friends and relatives (VFR) to holidays and leisure trips. Each of the other types of accommodation is now chosen

by less than 5% of respondents, with the exception of the category “Other”, mostly answered by workers and long-staying students and reflecting alternative options linked to the purpose of travel.
It is unsurprising that hotel accommodation is the predominant choice for most trip purposes, except for those trips that involve a pre-existing connection to the destination country, such as VFR, funerals, weddings, and other events with relatives, as well as for those who own a home abroad. In these cases, personal homes (of the travelers or their relatives or friends) are the main choice, indicating that hotels are preferred only in the absence of a free accommodation option.

Interestingly, private homes were also the most common type of accommodation for those travelling for medical treatment, while long-stay students or healthcare recipients primarily chose B&Bs or guesthouses. Conversely, the only types of accommodation for which the combined shares of leisure and business trips did not account for at least 80% were personal homes and sanatoriums, both of which were primarily used for VFR trips.

Table 22: Share of types of accommodation per main travel purpose

	TOT	Holidays and leisure	VFR	Business	Employ-ment	MICE	Education	Medical treatment	A long-stay student or health care recipient	Pilgri-mage
Hotel	53.6%	79.5%	8.4%	69.1%	15.6%	65.5%	60.5%	25.8%	12.2%	11.7%
Hostel	0.9%	1.0%	0.3%	1.3%	0.7%	0.7%	8.7%	2.4%	0.0%	0.0%
B&B / Guesthouse	2.3%	3.5%	0.2%	2.0%	0.5%	1.4%	3.8%	0.0%	52.6%	50.0%
Apartment through platforms	0.9%	1.6%	0.6%	0.2%	0.1%	0.5%	1.6%	0.4%	18.7%	24.6%
Rental apartment	4.5%	5.8%	2.0%	4.4%	6.1%	2.5%	14.3%	7.6%	1.8%	1.6%
Own home / Relatives / Friends	28.3%	9.8%	90.0%	20.8%	9.2%	32.6%	15.2%	63.6%	3.8%	2.9%
Sanatorium	0.1%	0.0%	0.4%	0.0%	0.1%	0.0%	0.0%	5.2%	0.0%	0.0%
Other	9.3%	3.3%	0.8%	5.9%	68.4%	2.2%	7.8%	4.8%	10.8%	9.2%

Source: elaboration of 2023 Armenian International Visitor Survey

Finally, the last table cross-references the data on the type of accommodation with the top 10 destinations, in terms of the number of nights spent abroad and not including travelers for work, which tends to influence results. The data reveals several noteworthy patterns: stays in Georgia were generally shorter than in other countries, regardless of the type of accommodation. Conversely, stays in Russia were predominantly above the general average, particularly for stays at friends’ homes, rented apartments, and apartments booked via platforms (relatively +6.9, +16.6, and +13.9 days, respectively).

Stays in hotels and hostels were mostly in line with the averages, even for Georgia and Russia. However, some figures were unexpectedly high. Notable examples include B&Bs or guesthouses in Cyprus (+8.1 days above the average), sanatoriums in Iran (+6.7 days above the average), and homes of relatives and friends in Cyprus (+9.2 days above the average).

Table 23: No. of overnights per type of accommodation and top 10 destination countries (excluding travelers for work)

	TOT	Georgia	Egypt	Russia	UAE	Italy	Cyprus	Türkiye	Iran	France	Tunisia
TOTAL	7.6	3.8	7.6	15.3	7.4	8.3	8.5	5.3	9.8	9.7	7.4
Hotel	6.0	3.1	7.5	5.7	6.8	6.6	7.9	4.5	3.8	6.7	7.3
Hostel	4.5	3.5	7.0	4.5	8.4	7.4		4.0			
B&B or guesthouse	5.9	4.7		7.1	5.7	7.3	14.0			7.0	
Apartment through platforms	8.5	3.9		22.4	9.7	7.0	9.7			7.9	

	TOT	Georgia	Egypt	Russia	UAE	Italy	Cyprus	Türkiye	Iran	France	Tunisia
Rental apartment	7.8	4.9	12.6	24.4	8.4	7.3	12.9	19.8	8.5	11.6	
Own home / Relatives / Friends	10.2	4.3	75.5	17.1	13.7	14.7	19.4	6.5	14.2	13.8	
Sanatorium	19.3	3.4		22.3				8.0	26.0		
Other	3.6	1.8	1.1	2.7	8.2	14.9	1.0	4.7	5.4	7.2	1.0

Source: elaboration of 2023 Armenian International Visitor Survey

3.4. EXPENDITURE

3.4.1. Main expenditure-related figures

Armenians travelling abroad reported an average expenditure of US$ 903.4 per person in 2023. In 2013, the average expenditure per person was around US$ 978.1; however, trips were significantly longer, averaging 44.5 days, resulting in a much low daily expenditure of US$ 22. Given the average length of stay of 9.2 days, in 2023 the average daily expenditure is US$ around 98, marking a strong increase with respect to 2013. The expenditure per person remains very similar, excluding Armenians travelling for work, but provided the lower average staying, the daily expenditure increases to 117.6 US$.

Table 24: Main expenditure-related figures of Armenians travelling abroad (in US$)

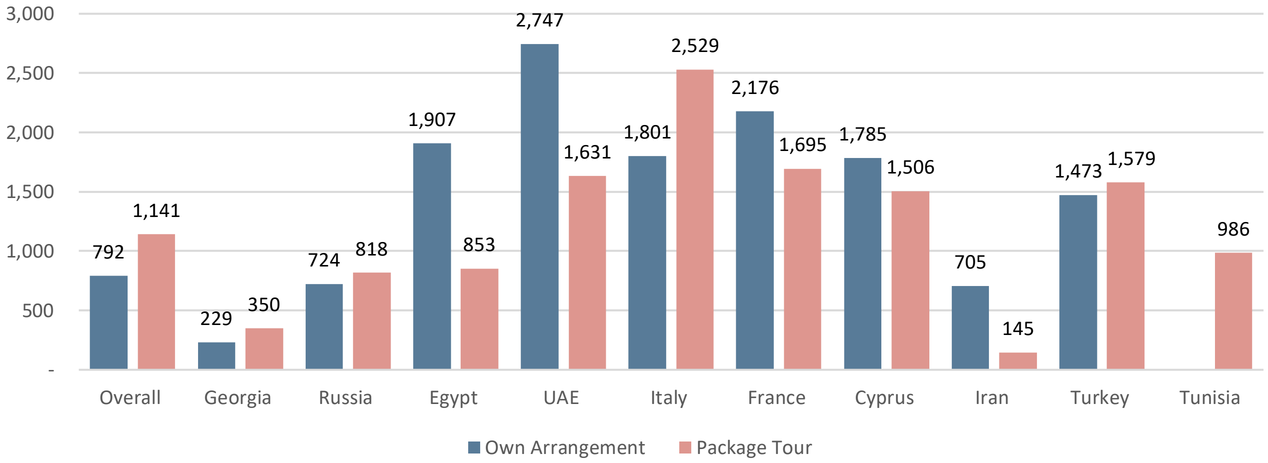
	TOTAL EXPENDITURE per person	AVERAGE LENGTH OF STAY (nights)	AVERAGE DAILY EXPENDITURE
2023	903.4 US$	9.2	98.2 US$
2013	978,1 US$	44,5	22 US$

Source: elaboration of 2023 Armenian International Visitor Survey

3.4.2. Expenditure analysis by trip arrangement

The expenditure patterns of Armenians travelling abroad reveal significant differences between self-organized trips and package tours. The total expenditure on self-organized trips was nearly double that of package tours. However, this figure needs to be contextualized, as nearly three out of four travelers preferred self-organized trips. When comparing the average expenditure per person, Armenians spent significantly more on package tours (US$ 1,141 per person) compared to self-organized trips (US$ 792 per person). Interestingly, this overall trend does not hold for the most visited countries. In Georgia, Türkiye, and Russia, spending levels were similar for both self-organized trips and package tours, with Georgia showing lower spending on self-organized trips. In contrast, self-organized trips were more expensive than package tours in France, Cyprus, Egypt, and especially the UAE. Regardless of the type of travel arrangement, respondents spent more on trips to Italy, and the UAE, while trips to Iran and especially Georgia were the cheapest.

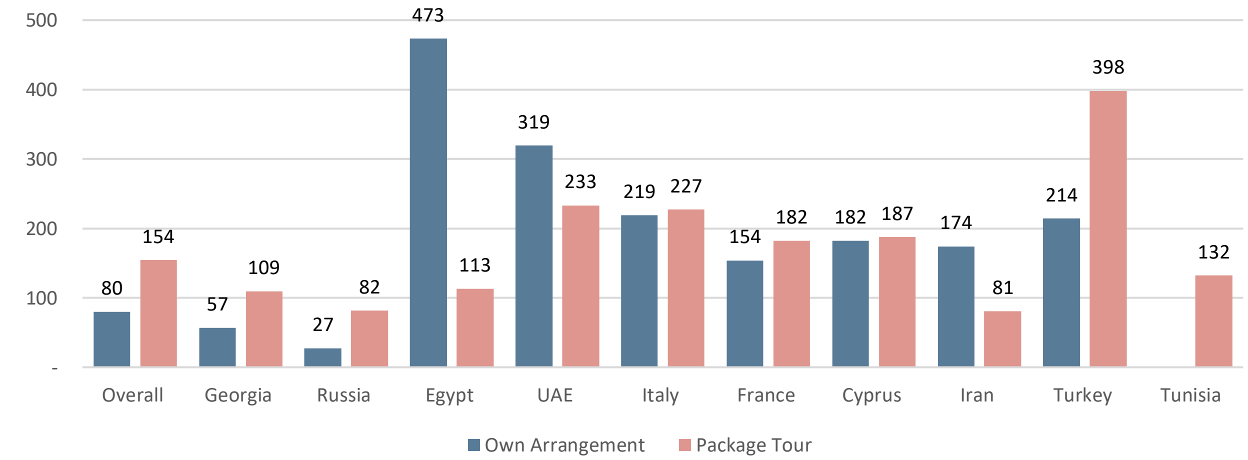
Chart 32: Overall per capita expenditure by trip arrangement and top destination country



Source: elaboration of 2023 Armenian International Visitor Survey

Data on daily expenditure per capita corroborates these findings. Overall, package tours are more expensive than self-organized trips, while the opposite is true when focusing on some top destination countries (Egypt and the UAE). Notably, Iran shows a higher daily expenditure for self-organized trips compared to package tours, while Russia presents the greatest cost-effectiveness for package tours.

Chart 33: Daily per capita expenditure by trip arrangement and top destination country



Source: elaboration of 2023 Armenian International Visitor Survey

Total expenditure distribution reflects the proportions of travelers, with the 35-44 age group being the highest spenders, accounting for more than 30% of total expenditure on both package tours and self-organized trips. This group is closely followed by the 25-34 age group, which demonstrates a strong preference for package tours (34.4% of total expenditure for this arrangement). Travelers of older age classes exhibit a preference for self-organized trips.

In terms of per capita expenditure, both total and daily, package tours are more expensive than self-organized trips for all age groups, especially those under 45. On the other side, individuals aged 45 and older spend significantly more on package tours than on own arrangements. This difference is not due to higher spending by these groups on package tours (where expenditure is relatively stable across age groups), but rather their lower spending on self-organized trips. For instance, travelers over 65 spent US$ 27.2 per day on self-organized trips, roughly one-fourth of the amount spent by the 35-44 age group, the highest spenders, and one-third of what they spent on package tours.

Table 25: Total and daily per capita expenditure by trip arrangement and age group (in US$)

	Total	Overall per capita	Daily per capita

	Own arrangement	Package Tour	Own arrangement	Package Tour	Own arrangement	Package Tour
Overall	100%	100%	791.8	1141.4	80.2	154.5
18-24 yrs	6.9%	7.7%	729.8	1093.5	64.9	157.8
25-34 yrs	27.4%	34.4%	926.0	1138.7	102.6	152.9
35-44 yrs	35.9%	33.0%	901.7	1193.4	108.4	160.6
45-54 yrs	17.0%	13.5%	723.5	1097.1	76.7	153.2
55-64 yrs	9.1%	7.9%	596.8	1081.2	49.6	143.6
65+ yrs	3.7%	3.5%	426.9	1130.2	27.2	77.7

Source: elaboration of 2023 Armenian International Visitor Survey

3.4.3. Expenditure by purpose of visit

The purpose of the trip is another factor that plays an important role in determining the expenditure of Armenian travelers abroad. The highest value per person is shown in the case of shopping trips, followed by trips for business and medical treatment, while personal issues, like visiting friends, weddings and funerals are by far the trip purposes associated with the lowest expenditure. On a daily basis, the results are broadly the same, with few significant patterns to be observed:

- shopping trips are still the most expensive in absolute terms (US$ 447.6 per day);
- professional travels for business and MICE present high expensive rates (over US$ 200 per day);
- long-stay students or healthcare recipients, and VFR trips are the longest and cheapest in absolute terms.

This means, unsurprisingly, that short trips show a high intensity of spending, while those related to education and medical care may be expensive globally, only because they tend to be much longer.

Table 26: Overall and daily per capita expenditure by main purpose of travel (in US$)

	Ave-rage	Holidays and leisure	VFR	Busi-ness	Employ-ment	MICE	Educa-tion	Medical treatment	Long-stay (student / health)	Shop-ping	Wedding / funeral
Per person	903.4	985.6	370.3	1262.8	974.5	1000.4	1235.5	1536.5	1084.9	1880.1	275.6
Per person / day	98.2	142.8	32.3	203.7	51.6	217.5	55.6	103.1	45.6	447.6	55.1

Source: elaboration of 2023 Armenian International Visitor Survey

3.4.4. Expenditure breakdown by items

Armenian travelers abroad typically allocate about 38% of their budget to accommodation, regardless of whether they choose independent travel or package tours. Shopping emerges as the second-largest expense, accounting for 26.4% of total expenditure on average. However, there's a notable difference between the two types of travelers in this category. Independent travelers tend to spend significantly less on purchases (19%) compared to those on package tours (29.1%). Interestingly, the opposite trend is observed for food expenses, which rank as the third-highest cost. Independent travelers allocate 25.1% of their total budget to meals, while package tour travelers spend considerably less at 17.6%.

Table 27: Share of expenditure by item and trip arrangement

	Overall	Own Arrangement	Package Tour
Internal transportation	6.3%	8.2%	5.6%
Accommodation	38.2%	38.0%	38.3%
Food	19.6%	25.1%	17.6%
Culture and sports	2.7%	5.8%	1.5%
Purchases	26.4%	19.0%	29.1%
Other expenses	6.8%	3.9%	7.8%

Source: elaboration of 2023 Armenian International Visitor Survey

3.4.5. Funding sources for travel expenses

The vast majority of Armenian travelers (90.7%) finance their trips independently. Only a small percentage receive financial support from relatives or family members living abroad (3.1%) or in Armenia (2.3%). This pattern generally holds true across the top 10 visited countries, with two notable exceptions:

- Russia: Armenian travelers to Russia are more likely to have their trips financed by relatives or family members, either living abroad or in Armenia, in 13% of cases. This is significantly higher than for any other destination. While self-financing remains the most common method for trips to Russia, it represents the lowest percentage among all countries studied.
- Iran: Trips to Iran stand out for having the highest proportion of financing from international or Armenian organizations, at 12.4%. This is notably higher than for any other destination.

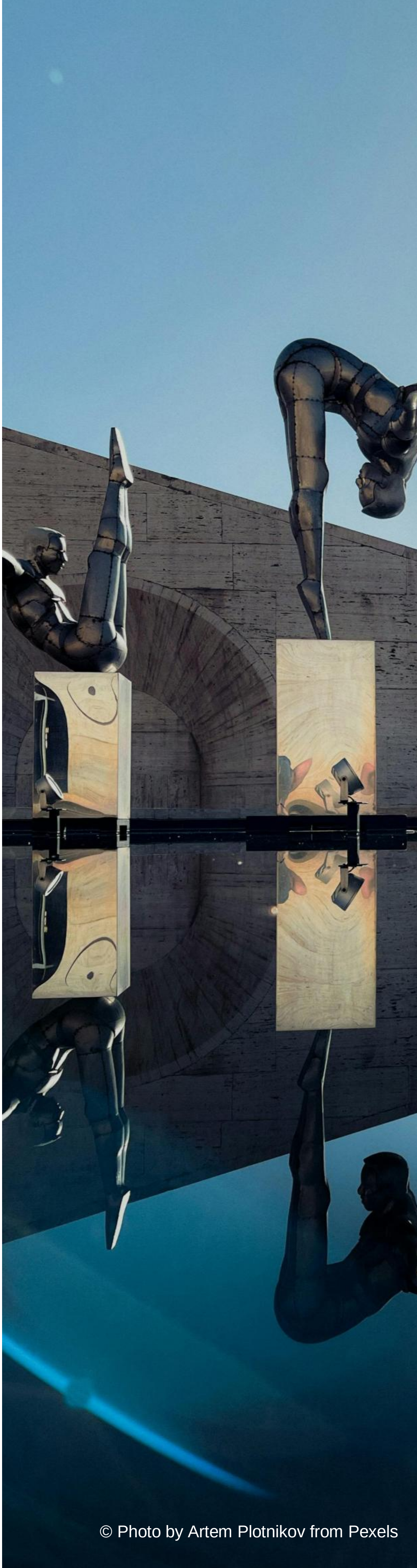
These exceptions highlight unique patterns in travel financing for Armenian tourists visiting Russia and Iran, contrasting with the general trend of self-funded trips to other countries.

Table 28: Source of funding by top 10 destination countries

	On own account	By a relative or kin living abroad	By international or foreign organizations	By a national organization	By a relative or kin living in Armenia	By friends living in Armenia	By an Armenian state institution
AVERAGE	90.7%	3.1%	0.9%	3.0%	2.3%	0.03%	0.02%
Georgia	94.1%	2.2%	0.4%	1.9%	1.4%	0.09%	
Egypt	95.6%	0.9%	0.2%	0.1%	3.1%		
Russia	84.0%	9.0%	0.9%	2.1%	4.0%	0.02%	
UAE	90.1%	3.1%	0.5%	1.9%	4.4%		
Italy	94.5%	0.3%	1.5%	1.8%	1.9%		
Cyprus	94.4%	2.7%	0.4%	2.2%	0.4%		
Türkiye	92.2%	3.2%	0.9%	1.3%	2.4%		
Iran	85.3%	1.8%	1.8%	10.6%	0.4%		
France	89.7%	3.5%	1.7%	1.1%	4.0%		
Tunisia	95.1%	0.6%	0.0%	3.3%	1.0%		

Source: elaboration of 2023 Armenian International Visitor Survey

ANNEXES

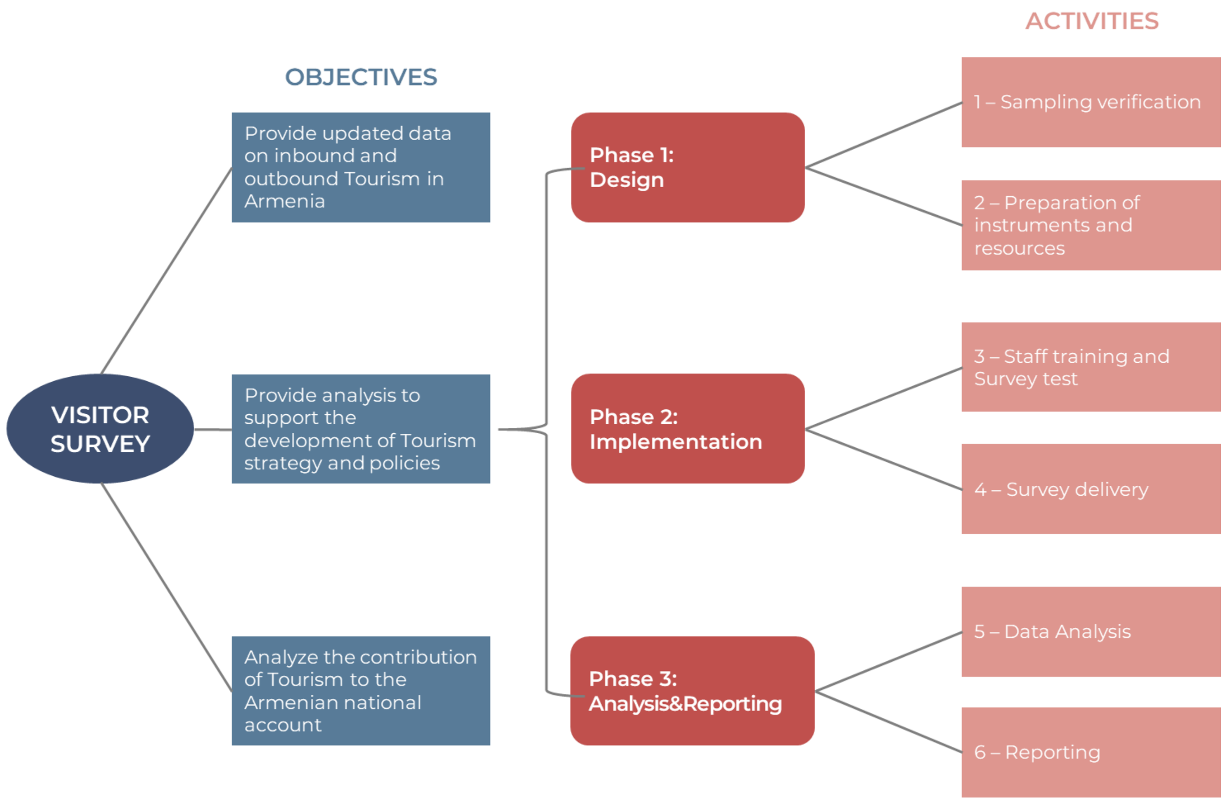


ANNEX I – METHODOLOGY ADOPTED

As regards the research method and the practical tools for data collection used for the present survey, the specific methodological framework has been represented by the WTO manual *Conducting and Processing a Visitor Survey - Instructional Materials*. With the necessary updates regarding the most recent developments in statistical methodology, this document still constitutes the reference basis for the design of the IVS, in terms of research structure and methods, such as: planning of the sampling system, procedures and variables; outline of data collection tools; conduction of the interviews; data collection, process and analysis; interpretation, report and dissemination of results[20]. The use of this reference methodological framework guarantees compliance with the international standards and recommendations for tourism statistics, in order to avoid confusing approaches and elaborations and to promote appropriate and valid comparison with other surveys all over the world.

The methodology and the questionnaires used for previous IVS have been reviewed and improved by international experts, prior to the start of the survey. Interviews have been conducted with departing and arriving travelers at four land border points (Bagratashen, Meghri, Ayrum, Bavra), as well as at the Gyumri and Yerevan Zvartnots international airports. A testing phase of questionnaires has been carried out in December 2022, after the training of enumerators. The issues related to the administration of the surveys have been checked, including the distribution of enumerators at border points, Data have been actually collected along the twelve months of year 2023, during 7 days each month. The size of the survey includes 12,000 valid interviews for inbound visitors and 8,800 valid interviews for outbound visitors. The implementation approach is presented in the figure below.

Figure 1: IVS implementation approach



The surveys have been implemented via **face-to-face interviews**. They have been conveyed in the form of structured interviews, allowing to collect the relevant data. Questionnaires have been translated into the main languages (English, French, German, Russian, Persian, Spanish), to be understandable by most of visitors. The detection of data for both incoming / outgoing touristic flows implied a two-stage stratified random

[20] World Tourism Organisation, "Conducting and Processing a Visitor Survey - Instructional Materials", Madrid, 1994

sampling plan: the six border points as first stage units and single travelers as second stage units. Since the populations of foreigners and Armenian are totally independent from each other, the design has been applied to two independent samples. The allocation of interviews in each border point has been treated separately, optimizing the efficiency of the estimates separately for entrances and exits: the information has been collected at the end of the journey and, consequently, in correspondence with the outgoing flows of inbound visitors and incoming flows for outbound visitors.

We applied the method described in the WTO Manual “Conducting and Processing a Visitor Survey” to settle the overall sample size, considering as 60 the minimum efficient sample size for estimating proportions among international visitors segmented by country of origin, and 0.5% as the minimum share of total inbound visitors concerning the top 10 countries. The size of 12,000 interviews as a target is the result of the formula for representative proportions: **60 : 0.005 = 12,000.** It means that among these 12,000 respondents at least 60 will come from the countries included in the list of interest (Top countries), maintaining the same validity criteria of the minimum efficient sample: the 2.5% of margin of error and the 95% of confidence. The size of the outbound IVS (8,800 valid units) has been calculated by applying the ratio 1:1.36 between national and foreigner travelers from the last complete data available (2021).

The proportional distribution of the sampling size in each border point, for both inbound and outbound surveys, has been based on the actual number of travelers who passed the border points during the year 2022. Moreover, the monthly distribution of travel flows was also considered a stratification variable, in order to provide a more accurate analysis, allowing for a better control of the seasonality of the phenomenon under study, rather than applying the same proportional method to the whole year.

The extraction of single units of survey respondents has been with those visitors aged 18 years and higher, who had at least one overnight stay and stayed in the country no longer than one year. The procedure foresaw the selection of one single week per month in each border point and some specific day-parts within such week. Both monthly weeks and day-parts have been identified in a casual way. Within these day-parts, respondents have been identified by a systematic sampling, based on the expected number of travelers divided by the number of target interviews to be managed. Specific adjustments have been applied in some cases, allowing for a reasoned sampling to ensure efficiency and cost-effectiveness, mainly due to the presence of transits. In some cases, it has been agreed about a possible extension of the day-part, in order to cover the expected number of interviews. In particular for the Zvartnots airport, we considered specific cases of traffic peak and the actual schedule of flights, to allow keeping information from qualified segments of visitors. Any risk of over-sampling has been mitigated through further normalization of data.

After the preparation and the piloting of survey instruments (questionnaires), the team conducted the IVS on the border points through the administration of the survey via structured face to face CAPI interviews. During the fieldwork the supervisors met with the interviewers continuously and provided the first quality control of the work carried out. The Field Manager checked the progress of the fieldwork by contacting on a daily basis the local supervisors, and took information on the number of completed interviews and any problems that arose.

At the end of the overall period of data collection, and with the aim to consolidate data for the analytical report, observations have been treated with respect to the reference population, obtained from official data collected by the Statistical Committee for 2023. The result has been the definition of a weighting factor, to expand the data coming from the surveys to the actual universe of annual visitors. We considered and absorbed possible distortions due to different ways of classification (es. country of citizenship vs residence), and used variables of age, sex and country for the calculation of the weight coefficient. With the exclusion of the expenditure amounts, we recalculated the survey variables about overnights on the basis of the actual presences in the year 2023 (i.e. by cutting possible periods of visit occurred before 2023).

The actual expenditure of visitors has been estimated by applying the weighting factor obtained in the previous phases to each statistical unit detected. The process of estimating the weighting factor carried out in successive layers and bound to the values observed in each layer allows a sufficiently stable estimate of the only unknown variable represented by visitor spending. The extraction of results for statistical functions has been calculated on the sums of statistical units included in the same strata.

ANNEX II – TOURISM POLICY FRAMEWORK

Government Action Plan 2021-2026

The Government's Action Plan for the period 2021-2026 includes a diverse range of regulations, approaches, challenges, and objectives relevant to the tourism sector. The Action Plan includes the following strategic initiatives for the development of tourism:

- Enhancing the collection and digitization of tourism data, with a focus on improving tourism statistics and facilitating high-quality surveys and analysis based on precise statistical information.
- Ratifying and implementing the draft Decision of the Government of the Republic of Armenia concerning the approval of the Strategy for Tourism of Armenia.
- Undertaking the elaboration and enactment of the Law of the Republic of Armenia "On Tourism," alongside several draft legal instruments derived from the adoption of said Law.
- Fostering the growth of domestic tourism. Introducing the electronic system for management of social packages.
- Stimulating inbound tourism.
- Engaging in collaborative efforts with foreign nations, regional entities, and international organizations.
- Enhancing the quality of tourism services.
- Developing tourism infrastructure.
- Developing a new tourism brand and forming new recommendations.

National Tourism Strategy

At the present, the operative document is the **Concept Paper on Armenia's development**, ratified in 2008, which has since become outdated. The initiatives outlined therein require clarification and revision. Given the dynamic evolution and emerging challenges within the tourism sector, which is imperative to support and increase Armenia's competitiveness and its tourism offerings in the global market, there is a need to formulate a comprehensive strategy for the tourism sector.

In 2024 the Government of Armenia has committed to formulating a new National Tourism Strategy to outline priority actions aimed at addressing existing challenges within the tourism industry. This strategy will be a comprehensive document, offering a guiding vision and direction for the sector's advancement, emphasizing the operationalization of the cluster approach over the upcoming five years, along with a strong Action Plan.

The goals are outlined as follows:

- Increase the visibility and accessibility of Armenia and its tourism offerings by highlighting the Armenian tourism product in four main directions: cultural, gastronomic (cuisine and wine), nature, and adventure.
- Improve the living standards of local residents.
- Relieve poverty and cultivate employment opportunities.
- Enhance infrastructure.
- Facilitate stable and proportionate territorial economic development, increase national income, elevate living standards, and generate new employment opportunities.
- Signify Armenia as a destination renowned for providing high-quality tourist services.
- Achieve 4 million international arrivals by 2028 with $5 billion tourist spending.

Tourism Law

In 2023, the Government of Armenia made progress towards enhancing the regulatory and policy framework governing the tourism sector. The adoption of a new Law on Tourism, that will be implemented in September 2024, is aimed to enhance sector regulation, elevate tourism experiences and offerings, outline key actors and stakeholders, and introduce regulations ensuring the delivery of high-quality services to visitors. Enforcement of the Law on Tourism of the Republic of Armenia will cause significant changes within the sector.

The following changes will take place in the field:

- It will create an electronic registry regarding persons providing tourist services. The creation of this registry will contribute to the control of companies providing tourism services in the sector. Besides that, at the moment, there are no statistical data on the organizations that carry out tourism activities in the field of RA.

- It will create hotel properties, qualification systems for tourist buses, organizations for managing tourist centers, tourist information centers, tour guides, escorts and tourist experiences.
- A mandatory financial guarantee will be established for outbound tourism operators.

ANNEX III – QUESTIONNAIRES

Questionnaire for Inbound Visitors

Armenian version

1.1. Departure survey questionnaire, AMP v€

English version

1.2. Departure survey questionnaire, AMP v€

Questionnaire for Outbound Visitors

Armenian version

2.1. Arrival survey questionnaire, AMP v€

English version

2.2. Arrival survey questionnaire, AMP v€

INTERNATIONAL VISITOR SURVEY ON NATIONAL LEVEL

Final Report