



Tourism Sector in Kazbegi Municipality

Current challenges and potential for
development

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Executive Summary

The region of Kazbegi has a lot to recommend it. Except for the ski resort of Gudauri (which will not be considered in this report), the Kazbegi district, with its center in Stepantsminda, has mount Kazbegi – one of the most recognizable symbols of Georgia and the Caucasus, and the most accessible 5,000 meter peak in the country. In addition, the region has the Gergeti Sameba Church, the Gveleti Waterfalls, Sno Valley, Juta, Alexandre Kazbegi Museum and Trusso pass. It also has many hundreds, if not thousands of kilometers of spectacular hiking both inside and outside the Kazbegi National Park.

Stepantsminda is about 2.5 hours away from Tbilisi by car which means that many of the tourists who visit are just day-trippers, usually interested to see the mountain and the Gergeti Sameba Church, but it also means that it is an easy “get-away” destination from Tbilisi. In addition, it is extremely close to a Russian border with significant large habitations close to the other side. Vladikavkaz, with a population of 300 thousand people is about an hour’s driving time from Stepantsminda and so the region could be a considerable Russian short-stay destination.

However, in spite of these tourist attractions and its relative proximity to the capital, for a long time, the tourism sector has been extremely under-developed. One major reason for this under development is that the road from Gudauri to Stepantsminda, until relatively recently, was a complete disaster. Even in the best weather conditions, it could take more than an hour to travel roughly 30 kilometers from Gudauri to Stepantsminda and from November to March unpredictable weather could make the route periodically impassible.

The relatively low level of overnight guests has meant that the region has lacked the incentive to organize proper infrastructure for tourism. Poor service delivery and poor infrastructure connections have probably been mutually reinforcing, as a lack of services helped to keep numbers low and ensure that most visitors were just day-trippers, leaving a very limited local economic foot-print. The relatively small number of overnight guests, in turn, made it hard to justify significant improvements in infrastructure.

However, with the dramatic increase in tourist numbers in Georgia in recent years, the scale of tourism in the region seems to have also grown considerably. As evidence of that, in recent years, there have been considerable examples of inwards migration, with people who had left the country returning to the Kazbegi to open seasonal guest-houses. This is important as tourism certainly offers the most promising opportunity for economic growth in a region that is not particularly well suited for efficient agricultural production and with little or no indigenous industry.

For this project, we conducted desk research, a tourist survey at guest houses, hotels and tourist attractions. In addition, we conducted semi-structured interviews with tour business operators. The tourist survey that we conducted provided an overview of the structure of tourism in Kazbegi. The group we interviewed were a mix of day-trippers and hotel residents, and were made up of 19% from Georgia, 15% from Russia, 11% from Germany, 9% from Israel and 8% from Poland. These tourists were also fairly young with 2/3 under 35 years old and ¼ under 25. Only 12% were over 50 years old. The national profile of visitors that we found from our survey, was largely consistent with what guest-house owners also told us about the composition of the tourists.

Of these groups, the Russians, Germans and Israelis have long standing historical ties to the region. For Russians, the Georgia “brand” is still extremely recognizable and positive in some quarters. For

Israelis and Germans, the countries enjoy a strong historical connection and both countries seem to have large numbers of hiking and mountain-oriented tourists who are fairly adventurous. Poland and Israel also have direct and fairly inexpensive flights and Georgia represents an interesting, familiar and cost-sensitive destination. Visitors from Poland, in particular, have grown dramatically in the last few years, in line with the opening of "Wizz Air" flights, between Warsaw and Kuitaisi.

Most groups visiting are also pretty small, with either a couple or a group of 3-5 people. They come to Kazbegi with the assistance of a tour agency about 25% of the time, though the majority of guest house bookings are done online using websites like booking.com.

The services and facilities that are available for tourists who come to Kazbegi are fairly minimal and this minimal provision probably explains why the profile of visitors is predominantly so young. We estimate that at the current time there is overnight capacity for around 1,000 people across one fairly large and two medium hotels and around 60 guest houses. Most of the guest house facilities provide large dorm-type rooms and, while a range of different standards exist, most would be considered 'homestay' facilities rather than formal guest houses or hotels.

86% of tourists in our survey visited Gergeti Sameba Church and around ¼ of the visitors we spoke to visited Gveleti waterfalls, the Mt Kazbegi Glacier, Sno valley or Jutta. Most were expecting to do some hiking while they stayed in the region.

While most of the destinations were highly rated by the people that we spoke to, our assessments suggested a significant lack of supporting infrastructure at almost all of the sites. Excluding in the center of Stepantsminda, there is more or less no clear signage in English or Russian which would help people to navigate the town and surrounding areas, find hiking trails or explain local culture, flora, fauna and geography. Most of the locations lacked facilities like toilets, shops and restaurants. Even finding ones way from the center of town to a pre-booked guest-house can be a challenge.

Similarly, while guest-houses are cheap and fairly highly rated by the guests, tour agencies suggest that there is little reliable "mid-level" quality. Basically, there is high end and low end and nothing in between. At the high end, the introduction of the Georgian branded Rooms Hotel is a major recent change and, in some way, may mark the beginning of the serious development of Kazbegi as a destination, but it is a four-star hotel and extremely expensive for the largely fairly price-sensitive Kazbegi visitors. The overwhelming majority of the rest is made up of very inexpensive homestay, which may represent good value for money, but lacks some of the basic amenities, like en-suite bathrooms and some culinary options, that many modern tourists expect.

Two absences are worth noting, again because it is not just a problem in itself, but probably indicative of wider issues. Most guests prefer to go out to restaurants in the evening, rather than stay in their homestay guest house. However, the restaurant options are extremely limited, and in a destination that is so "young" it is surprising that none of these places serves food late in the evening or acts as a late night social venue or bar.

Generally, therefore, the current situation seems to be missing the opportunity for the region to take huge advantage of tourism as a source of local wealth creation. Entrenched interests are sometimes resistant to change, even though that change would certainly be to the advantage of the region as a whole. The fact that local drivers are actually resistant to improvements in the road to Sameba church, as this might make undermine a source of over-priced short taxi rides, is telling of a larger problem. The region as a whole feels like it is somewhat stuck in an older business model of tourism,

where the objective is to figure out ways to get as much money as possible out of the small number of short-term tourists, rather than to provide good and reliable services in order to attract more tourists and have them come for longer.

What is needed is a clear and focused effort to make local tourism less dependent on entrenched networks that often have little incentive to improve the system, and instead move to a system where tourists can easily find information and plan trips to the region without the level of uncertainty that currently exists. Technology is already helping this to happen already. Guest house bookings are predominantly made using electronic media that include evaluation and information sharing.

Groups/nationalities who have a long track-record of going to the region, easily find recommendations for local service providers.

However, this could be supported with targeted efforts that this project may be well suited to facilitate. In particular, almost all of the major destinations need to have better signage and more thought to facilitating activity provision for tourists. The simple inability for tourists to easily find hotels and guest-houses is an effective demonstration of such issues.

Methodology

We used many different methods to study the tourism situation in Kazbegi. This included desk research to analyze the government data, surveys of guest-houses and hotels, visits to major tourist sites and attractions, survey and in-depth interviews with tourists as well as interviews with different service providers. The geographic orientation of our research covered the whole region of Kazbegi, excluding Gudauri. Due to the distinct size, nature and seasonality of Gudauri we will conduct a separate piece of research in the new year.

Desk research. We started our research by looking at the statistical data and reports on the tourism sector in general. Georgian National Tourism Agency has provided us with data on accommodation in Kazbegi and the rest of Georgia, as well as the relevant reports on the tourism sector. The Government of Georgia has also just released a new tourism development strategy. This document was reviewed for any input that was of relevance to the Kazbegi region.

The accommodation database was helpful in providing an initial idea about the situation with guesthouses and hotels in Kazbegi. We also received the database of registered and active businesses from Geostat that has allowed us to see how many accommodation businesses are registered. For finding the exact number of guesthouses and hotels, and how many beds they offer, we also searched internet services such as booking.com and airbnb.com. While in Kazbegi, we also asked around locals and identified all guest-houses and hotels, so that we could approach each of them directly and survey them.

We also looked at international indicators and trends to assess how the tourism sector is developing in Georgia in comparison with other countries. We used the Travel and Tourism Competitiveness index, as well as the government data on the numbers of tourists and the amount of money they spend while in Georgia.

Survey of accommodation places. There are roughly 75 hotels, guesthouses and homestays in the region. Most accommodation in Kazbegi is located in Stepantsminda and Gergeti, roughly 60 in total. There are also 2 accommodation places in the village of Arsha. Juta is a gravity center of tourism by itself. This high-altitude village is about 50 minute drive from the center of Kazbegi and there are 3 relatively large accommodation venues as well as 10 households that offer lodging. We have visited all accommodation places in Kazbegi, Gergeti and Arsha, and the major accommodation places of Juta.

In our survey of guesthouses and hotels, we asked questions about what they offer, the characteristics of their guests, and difficulties that they face in the business and in Kazbegi in general. Although the questionnaires (please see Annex 1) were fairly short, taking up only about 10-15 minutes, the interviews would often grow into more in-depth discussions about the socio-economic situation Kazbegi and the potential role of tourism in its development. This was made possible as the interviewers were experienced researches from our core team and were able to elicit information beyond the survey questions. Our researchers were also staying in these accommodation places, which allowed the collection of very detailed and textured idea of how the business model operates.

We have put all accommodation places on the map, so that it is easier for us to locate them and see how they are geographically dispersed. This also could be a valuable tool for potential tourists in helping them to find accommodation, and apply filters, such as price, availability of breakfast,

location, and the type of service. However, most accommodation places are reluctant to publicize their data as they fear that tax authorities will approach them.

Survey of tourists. It was important for our study to survey tourists about their experiences in Kazbegi and to see what can be improved, in tourist's point of view, to make Kazbegi more attractive. We employed two methods to survey tourists. First, we prepared short questionnaires (please see Annex 2) in English, Russian, and Georgian and left them in accommodation places that we had visited. In total, we have managed to collect 126 complete questionnaires. The second method involved our researchers asking tourists if they were interested in a short interview, in exchange of a small symbolic gift (a key holder with Kazbegian Khinkali shapes, made from local felt). The interviews (please see Annex 3) included the same questions as our questionnaires left at the accommodation places but in addition we also asked more details about their experience in Kazbegi. In total, we have managed 64 in-depth interviews of this kind. The data collection mostly took place in the second half of August and the beginning of September, during the high season.

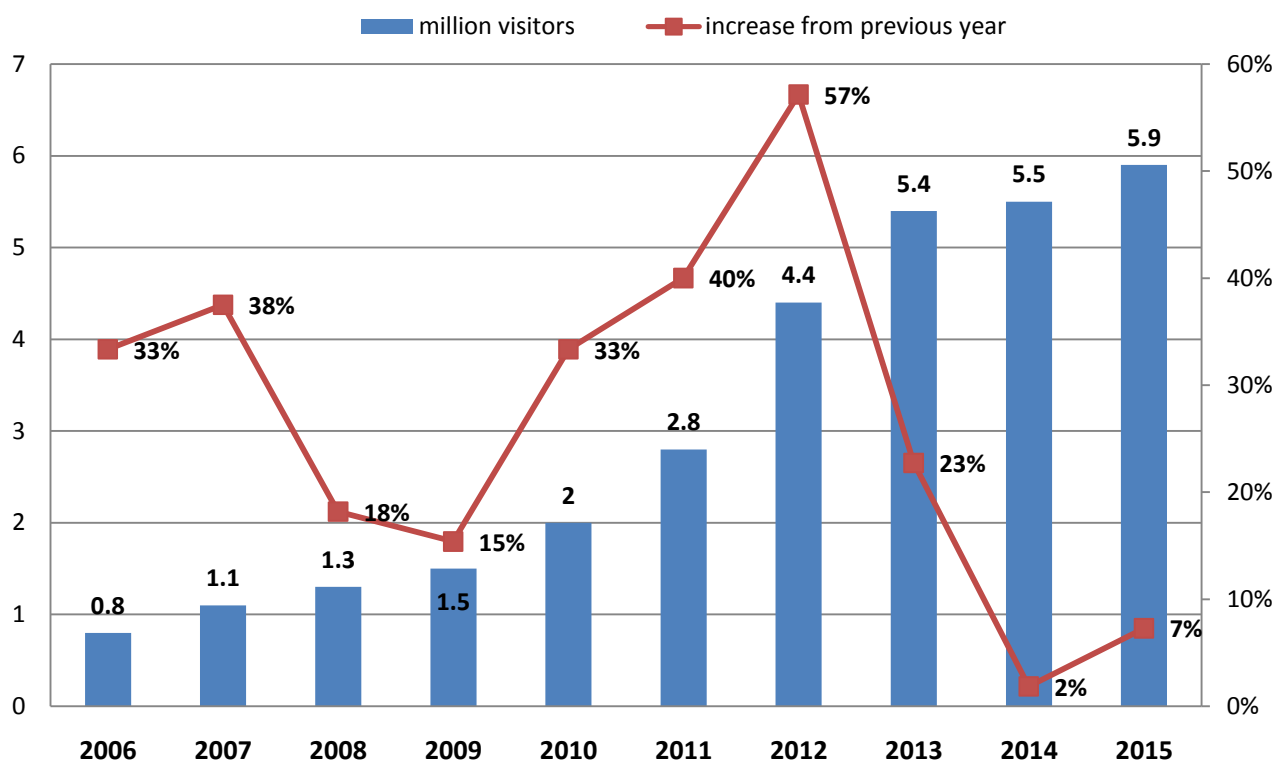
The data from these surveys allows us to analyze the profile of tourists, including age and employment profile, as well as the reasons for coming, their assessment of particular experiences (food, accommodation, services), spending patterns and recommendations for further improvement.

Interviews with service providers. To get a complete picture about how the tourism industry operates in Kazbegi, we also talked to at least two service providers from each of the following categories: guides, bike and mountain equipment rentals, shops, restaurant owners, and tour operators. This gave us a more complete and multi-angled understanding of the situation with tourism in Kazbegi and the ideas on how to develop it further. With tour operators, we were particularly interested in what drives them in including Kazbegi among the destinations in Georgia and what makes the place attractive for tourists of different profiles.

Tourism in context: rise or slow-down?

Tourism is one of the government's openly prioritized sectors. According to official data, it is worth 7% of the country's GDP. In addition, its impact is not only significant for GDP. Tourism is also a priority as it raises Georgia's profile generally, helping broader economic growth and international relations. Visitor numbers have been growing dramatically. The number of visitors grew from 0.8 million in 2006 to 5.9 million in 2015, more than 7-fold increase in 10 years, or the yearly equivalent of 22% growth every year for that period.

Figure 1: Number of visitors in Georgia (in million persons) and annual increase in percentages. 2006-2015. Georgia's National Tourism Administration, Statistical Portal <http://stats.georgia.travel/Default.aspx>



In 2015, Georgia has already received 5.9 million visitors, according to the official statistics, which is 7% more than on 2014. It is important to note that this is the total number of foreigners visiting Georgia and does not simply represent tourists. However, it is generally accepted that the dynamic of foreigner growth is reflected in tourism growth. That said, at the current time, the 7% growth rate may be exaggerated as there are other 'visitor' groups which seem to be growing disproportionately. The government statistics breaks down visitors into 3 categories: short-term visitors (people who only stay for one night), transit visitors (who do not spend a night in Georgia—probably mostly truck drivers) and tourists (who spend more than 24 hours in Georgia). The number of tourists has increased by 2.2% compared to 2014. This is the most important segment of visitors in terms of money inflows as usually long-term visitors leave more money in the country than transit visitors. In 2014, Georgia's income from tourism was USD 1.5 billion which is expected to grow by up to 8% in 2015, when the results will be finally summed up.

Over 70% of visitors are coming from the three neighboring countries: Armenia, Azerbaijan, and Turkey. Georgia receives 1.3-1.5 million visitors per year from each of these countries. But most of the visitors from these countries are not tourists but are transiting the country. The share of visitors from Armenia has soared particularly since 2012 (by 63% in 3 years) when border with Russia was opened in Kazbegi.

Figure 2: The number of visitors entering Georgia by countries. 2006-2015 years. In thousand persons. GNTA Statistical Portal <http://stats.georgia.travel/Default.aspx>

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 (projected)
Armenia	181	243	281	351	548	699	922	1292	1326	1,467
Azerbaijan	198	282	345	419	498	714	932	1076	1283	1,393
Turkey	147	248	351	384	536	738	1533	1597	1443	1,391
Russia	89	91	114	128	171	278	514	767	812	925
Ukraine	22	29	33	39	48	59	77	127	144	142
Israel	8	16	17	17	19	25	31	40	42	59
Poland	3	4	4	5	7	12	21	37	46	43
Kazakhstan	3	5	5	6	8	19	15	21	28	37
Germany	11	14	13	15	18	22	26	31	33	37
United States	13	15	16	17	20	24	29	27	28	31
Belarus	1	2	2	3	5	5	8	13	19	30
Iran	5	8	10	10	21	60	90	86	48	21
Total	763	1052	1290	1500	2032	2822	4428	5392	5516	5897

Several interesting trends can be seen in the table. While the number of visitors from Iran started to grow fast from 2010, it sharply declined in 2013, after the government introduced visa regulations for Iran. The visitors from Poland, on the other hand, who are mostly tourists and Kazbegi is often one of their destinations, started quick and steady grow from 2009, but the growth was accelerated in 2011, when the Kutaisi Airport introduced cheap flights to Poland. The same is true for Ukraine. We see that the number of visitors particularly quickly increased since 2011. However, in 2015 the projected number of visitors from both countries is expected to drop slightly, while the number of visitors from Russia and Israel keeps growing at impressive levels.

There are several reasons for the slowdown in tourism. One possible explanation is that after so many years of dramatic growth, Georgia's tourist growth had to plateau at some point. However, anecdotal evidence from reviewing the level of tourists in high season in tourist destinations like Tbilisi and Kazbegi seem to suggest that the country is still quite a long way below its maximum capacity.

Similarly, there is little evidence that Georgia's appeal has declined significantly. The Travel and Tourism Competitiveness Index, produced by World Economic Forum suggests a small decline since 2013, but not enough to explain the sudden drop off in growth.

Figure 3: Travel and Tourism Competitiveness Index. 2009-2015.

Year	Score	Rank	# of countries
2015	3.7	71	141
2013	4.1	66	140
2011	4	73	139
2009	3.9	73	133

According to the index, Georgia is experiencing particularly big challenges in the Natural Resources component, ranking 125th among 141 nations. This component includes such things as the number of world heritage natural sites, total protected area (% of total area) and total known species among other things.¹ Georgia is doing well in Safety and Security (ranked 32nd), business environment (32nd) and Health and Hygiene (31st).

The more significant issues driving the current slow-down can break down into two components. First, decline in the regional economic situation has hurt all of the countries from which Georgia's tourists originate. As the region has faced more difficult times, particularly in 2014, tourism has also suffered. Second, the government has certainly made some mis-steps. Most notably, the new visa regime, brought in during late 2014, resulted in decreasing the numbers of foreigners who could enter, particularly from fast growing markets like the Middle East. For example while Iran ranked 6th in the list of countries by the number of visitors in 2013 (86 thousand), it plummeted to the 12th position (24 thousand visitors) in 2015 (see fig. 2).

Kazbegi: an expected journey

Kazbegi advantage

Mt. Kazbegi is probably the most known tourist image of Georgia. It is a top destination for tourists who come to Georgia and want to see the mountains. As Georgia is a country with considerable natural beauty, there are other mountainous places that maybe equally aesthetically appealing, but travelling to them generally takes a lot longer and is logistically harder to arrange, while Kazbegi is only about 2.5 hour drive from Tbilisi.

Bakuriani is the only mountainous resort that is comparable to Gudauri in terms of skiing infrastructure and is about 3 hours from Tbilisi. However, while in many ways, it has better facilities, its forest-rich mountains puts limits on skiing and snowboarding that Gudauri mountains don't.

Svaneti or Tusheti take the better part of a day to reach by car. Svaneti is accessible with a short plane ride in season, but the unreliability of this route makes it generally unappealing for tourists and tour operators.

Although Kazbegi is a major tourist destination of Georgia, the benefits of tourism are not being reaped by all the settlements of the region. Tourism is concentrated in the municipal center of Stepantsminda, the village of Gergeti, and also in a remote village of Juta. All other villages, which together make up almost half of the total Kazbegi population, are not getting any benefits from tourism and mostly survive through subsistence farming.

In the next sections we discuss the profile of tourists and why they come to Kazbegi. We will also discuss the major tourist attractions and other activities that tourists can do in Kazbegi.

Who and why is coming to Kazbegi

Kazbegi always has been a major destination in Georgia, but it only started to receive fairly large numbers of tourists as the general number of visitors increased in Georgia, particularly in the last 5-

¹The Travel and Tourism Competitiveness Report 2015, p 155, available online at http://www3.weforum.org/docs/TT15/WEF_Global_Travel&Tourism_Report_2015.pdf (accessed on September 15, 2015).

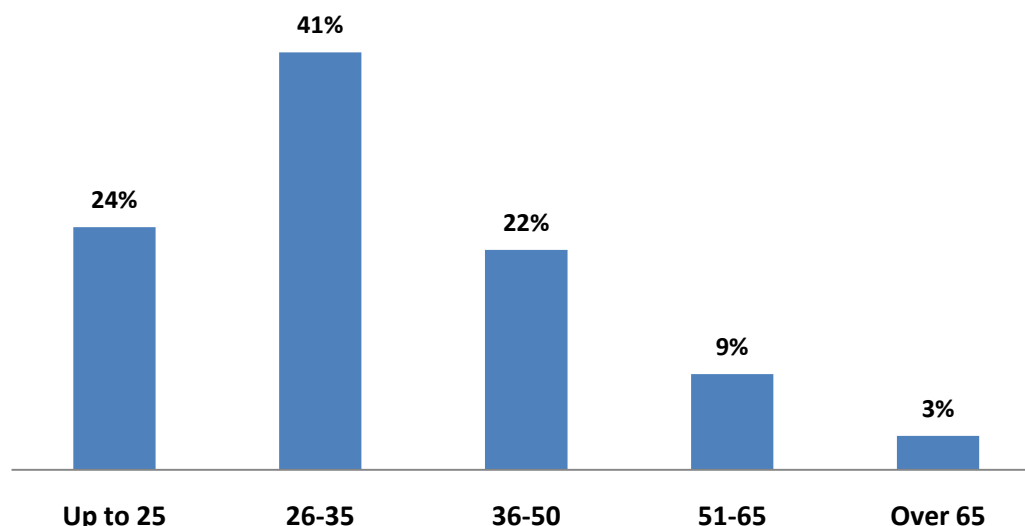
6years. As a result of this growth many households starting guest-house businesses, with many families even moved back to Kazbegi to utilize homes based in Kazbegi that had largely been closed and unused.

Reported growth in the last couple of years varies depending on which guesthouse owners one speaks with. Some of them were saying that the numbers of tourists are growing and this year has been a pretty good year. But more guesthouse owners said that compared to the last 2 years, they used to have more tourists and the numbers are slightly declining now. The guest house owners tend to attribute this to a less aggressive promotion campaign for Kazbegi and Georgia, in general, than in previous years. Another part of the reason why individual guesthouses may feel the situation to be difficult is that the number of guesthouses is growing every year, making it harder for each guesthouse to attract tourists. As a result, those who had been in business for a relatively long time, are facing more difficulties in attracting tourists than they used to.

To the wider world, Kazbegi is not a well-known tourist destination. Unlike the places like the Alps, for example, much less people know about the Caucasian Mountains. So, usually, travelers who come to Kazbegi either have specific local knowledge or are just tourists to Georgia who come across it in their trip planning or when they get here. Those who have specific knowledge of Kazbegi tend to either come from the region or have a particular interest in mountains and mountain tourism. In addition, owing to the lack of global profile, a surprisingly high proportion of visitors to Kazbegi visit as a result of a specific recommendation. According to our detailed survey of tourist, almost ¼ of tourists came to Kazbegi and Georgia based on the advice of somebody they knew. So far, it seems, Kazbegi and Georgia are attracting tourists from word-of-mouth, which leaves great potential for growth. And of course there also adventure-seeking solo-travelers who cross many countries by hitchhiking or cycling. We have encountered several such visitors while in Kazbegi (curiously, they often were French).

The geography of the countries of origin of tourists is wide. We have met tourists from places like Mozambique, Argentina and Sudan. In our survey of 190 tourists, roughly 19% were from Georgia, 15% from Russia, 11% from Germany, 9% from Israel and 8% from Poland. Because our survey was not able to randomize a clearly defined population and was restricted to a particular period of high season, it is not possible to know if these numbers are representative for the entire region over the entire year. However, to check this data we also asked guesthouse owners to name the top three countries from where they receive guests. 70% of guesthouse owners said that Poland was among the top three countries of origin of tourists, followed by Russia (58%) and Israel (55%). Other popular countries include Ukraine, the Czech Republic, Germany, and France, according to guesthouse owners. Georgians are usually not in the top 3 countries because although there are more tourists from Georgia than from anywhere else, they often don't stay in Kazbegi and often visit for a day trip.

Figure 4: Break-down of tourists by age categories. Tourist survey.



Based on our interviews, the average age of tourists is 35 years. More than 40% is between 26 and 35 years. In the detailed survey we also asked tourists about their employment status. 75% were employed, 8% were unemployed, 14% were students and 3% were retired. We also got a sense from our engagement, that most of the tourists were middle class, and that while they were price sensitive, they were not excessively so. This may suggest that local businesses have an opportunity to offer more goods and services.

7% of non-Georgians are repeat visitors. Among Georgians, naturally, the rate of return visitors is much higher, 64%, though the total number that we spoke to was small. It is quite significant number of tourist who are eager to explore more of Kazbegi. This provides a great opportunity for local people involved in the tourism sector. In one of our interviews with a guesthouse the owner said that a Chinese group came to her this summer and *“one young man smiled at me and embraced me. I was confused but then he somehow explained that he had stayed at my place 2 years ago.”* (Guesthouse owner in Stepantsminda).

Most tourists come in small groups, usually couples or in groups of 3-5 people. Among foreigners, almost 25% used a guide or a tourist agency services (tourist survey) while Georgians rarely use a guide except when they plan to climb up Mt. Kazbegi. Guides for foreigners, in most cases, come from outside of Kazbegi as they are usually hired by a tour agency. There is clearly an opportunity to prepare and connect local guides to foreign tourist. One solution to go here would be to provide or help the certification process.

The “why” of coming to Kazbegi has different explanations. There are two broad categories. The first would include tourists who come specifically for Kazbegi, having known about the mountain or other areas. The second category would include people who come to Georgia, and also include Kazbegi on their trip, usually for 1 or 2 days. Motivations also vary across nations. For Poles, the most frequent visitors to Kazbegi, according to the guesthouse managers, there is cheap Wizz Air flight to Kutaisi and prices compared to Poland are also quite cheap. The total number of visitors from Poland have particularly increased since 2011, when the Wizz Air and other affordable companies started to operate cheap flights from Kutaisi to the several cities of the EasternEurope.

Israel has a long track record of historical and cultural ties with Georgia and Israelis are often adventurous mountain lovers. As a result, one often finds Israeli tourists in Georgia's mountain resorts. In Israel, people also cannot travel to neighboring countries and the relations with Turkey had been tense for the last few years as well, so Georgia is a natural destination where they feel welcome and travel is not expensive as well. There is a visa-free travel and affordable direct flights, starting from around EUR 200 for a return ticket. There have been enough tourists from Israel already to spread the word as well. They actively use online forums and networks to share information and come to Kazbegi with very detailed knowledge on how to get accommodation or Transportation. One tourist from Israel said *"I was warned on online forums, for example, not to rent place from a certain person [the name has been deliberately removed from the report]. Everybody knows that this person is focusing on making money too much and doesn't shy out from deception, when the need arises"* (a tourist from Israel).

Tourists from Russia and Ukraine also often have a strong historical attachment to the "Georgia" brand and are interested in seeing cultural and religious heritage. A young couple from Russia we interviewed at the Gergeti Sameba church said that, they had heard a lot about Georgia from their parents as they were often traveling to Georgia. 28 years old man (Hitch-hiking with his girlfriend around Georgia) from St.Petersburg said that he had seen a lot of Georgian Soviet movies ("Mimino" most notably) and it always had been his dream to travel in Georgia.

Still others, have their own idiosyncratic reasons for coming. A Hungarian tourist said that his wife had read a book on Caucasian mountains and fell in love with Georgia. They decided to visit Kazbegi 2 years ago and had come to ascend Mt. Kazbegi this time.

Another consistent reason for wanting to visit Georgia is that it is precisely because it is not a standard location. In addition, uncertainties in the Middle East seem to have redirected some potential mid-East tourists to Georgia. One 23 years old French man wanted to go somewhere in the Middle East. However, many of the places he wanted to visit (Syria, Iraq, Iran) didn't seem very safe to him. Once he was looking at the google map to look at his options and slowly went north-west from the Middle East. He wondered what was the place(s) located between Caspian Sea and the Black sea. He zoomed in and found that there were a lot of mountains in that area. *"Well, I had heard the name 'Georgia' before, I just didn't know where exactly it was."* And because he loved to experience exotic, authentic, and mountainous places, he decided to travel to Georgia. Because of the mountains he traveled to Tusheti and spent a week there, after that he traveled to Kazbegi and stayed for five days, living with monks on Sameba church territory.

Another 29 years old French woman wanted to travel to Iran through Turkey. However, she considered the borderland tensions in the area and changed the route. Therefore, she decided to travel through Georgia and Azerbaijan. She didn't know much about Georgia and she was not planning to stay here for long. However, she discovered that *"there are many nice places"* (meaning mainly the mountain areas) in the country. So instead of no stop at all in Georgia she spent two weeks in Georgia, including 4 days in Kazbegi.

Luring tourists to Kazbegi: how tour operators operate

While tour operators are not the major source of bringing tourists to Kazbegi, they are very significant. According to our surveys, 25% of tourists use services of tour guides or tour companies and 8% of people who stay in Kazbegi arrange their accommodation through tour operators.

Tour operators usually form networks with other tour operators in target countries, and then work out details about the offer they are going to suggest. *“India, one of our primary target countries, is specific in a sense that they are not so much interested in seeing old churches. They have plenty of older and more impressive monuments in their country. So there is no point in taking them to Kakheti or Mtskheta to see the old churches. But they are interested in high mountains and nature, especially if there is a lot of snow. So Kazbegi is a great place to offer to clients in India”* said Ana Kirkitadze, Director of Captain Plus, one of the largest tour operators in Georgia who recently started to work on in-bound tourists as well. Usually, tourists from India are looking for low-budget options, so the tour would only include a day-tour in Kazbegi and 3-4 days of other day tours in vicinity of Tbilisi, like Uplistsikhe, Mtskheta and Gori. The advantage of Kazbegi is that it is close to Tbilisi and is easily accessible for a large number of tourists who do not wish to spend a night outside of Tbilisi. Tourists from Dubai or Russia tend to be less constrained by budget and offers for them usually include staying a night at Kazbegi Rooms hotel. Russians and Europeans are also more likely to like cultural tours, visiting some old important religious monuments.

The problem for tour operators is that there is one high end hotel, and then many low-cost accommodation places, no middle ground. *“If there had been a hotel for USD 80-100, then that would be really good because that’s the segment that most of our target clientele falls in”* said Kirkitadze. With only one high end and expensive hotel on the one hand and cheap guesthouses on the other hand, there is little choice that the operators can offer to tourists. Some of the guesthouses or small hotels might be fine to cooperate with, but that requires a tour operator to accumulate enough experience. There is no brand in Kazbegi, other than the Rooms Hotel, that they could readily rely on. At least that’s the case for many tour operators that are starting to target Kazbegi.

A guide from the Prometheus tour, while accompanying a group of Greek tourists at the Gergeti Sameba church, also complained that although they use services of some guest-houses, they do not satisfy basic standard and are hard to have business with. *“For example, it is not either hard or expensive to stock up small soap boxes. The ones you see in every hotel. Suggesting visitors to use old, used soap is simply not nice.”*

There are several tour operators who actively work in Kazbegi. About a third of surveyed guesthouses said that they had some sort of cooperation with one or more tour operators. The form of cooperation mostly includes offering accommodation, but also offering lunch or catering services for tourists. A small portion of guesthouses are even working with only one tour operator, exclusively. Among the most frequently named tour operators were Visit Georgia, Silk Road Travel, Concord Travel, Prometheus Travel, and Caucasus Travel.

Visit Georgia is a particularly interesting case. They have the largest presence in terms of cooperating with local guesthouses. Kazbegi is their primary, signature destination in Georgia. 6 years ago, in order to promote Kazbegi and their business, they also came up with the idea of establishing a full trail marathon in Kazbegi. This is the only full marathon in the Caucasus and includes some difficult, but beautiful segments as running up on the Gergeti Mountain or in the Sno Valley. The total number of registered participants is usually around 300, for all distances

(they have full, half, and 8 K distances). More than 80% of participants, especially on the full-marathon distance, are foreigners. They usually come together with family members. Visit Georgia also offers several options for accommodation for different price range. Tourists usually stay for a few days to explore Kazbegi. We talked to a Russian marathon runner who had heard about the Kazbegi marathon from internet forums in Russia. He came to Georgia together with his wife a small child. Together, they rented bicycles to explore the marathon route, and after the marathon stayed for a few more days in Kazbegi. Following Kazbegi, they went to Batumi for relaxation. Another marathoner, a tourist from Germany who actually won the full distance, went up to Mt. Kazbegi on the next day.

Treasures of Kazbegi

One can argue that Kazbegi has countless fantastic places, and it is true. For example, we came across a fascinating basilica-type church in the village of Garbani. It is not only the oldest church of the region, dating back from the 8th century, but also very interesting in terms of architecture and location. Very few people outside of the village Garbani know about this church. Similarly, the village of Sioni has great potential in developing small ski infrastructure and hiking routes due to the gorgeous Sioni valley that borders the village. As our primary task for this study had been to survey the tourism situation, we particularly focused on the most known sites of Kazbegi. We visited all of them and talked to tourists to get detailed impressions about their experiences and hear their recommendations.

In our survey, we asked 190 tourists (154 non-Georgians and 36 Georgians) to list and assess the places that they had visited while in Kazbegi during their current visit. Below is the table that summarizes the answers.

Figure 5: Major tourist sites visited by tourists in Kazbegi during their current visit.

Tourist site	Non-Georgians		Georgians	
Gergeti Sameba	86%	9.2	89%	9.9
Gveleti waterfalls	27%	8.7	67%	9.9
Mt. Kazbegi/Glacier	26%	9.0	33%	9.8
Sno valley	23%	8.0	61%	9.3
Juta	21%	9.2	42%	9.5
Al. Kazbegi Museum	17%	7.4	56%	9.0
Trusso valley	10%	9.0	19%	8.3

One curious observation about the table is that Georgians tended to claim to have been to more places and would also give higher marks on average than non-Georgian tourists.

Gergeti Sameba (Trinity) Church

Gergeti trinity church is by far the most visited and the most appreciated place in Kazbegi. Absolute majority of Georgian and non-Georgian tourists (see Fig. 5) said that they had visited the place during their current visit and gave the highest marks to it.

Gergeti Sameba is a functioning monks' monastery, about 6 kilometers from the center of Stepantsminda, at almost 2,200 meters above the sea level, with fantastic views of Mt. Kazbegi and the Caucasian range. The church itself was built in the 14th century and had been the most important religious place of the region. Ancient tales say that the great Georgian King, Giorgi Brtskhvala assigned the Gergeti villagers to look after the church. There are interesting tales about how and

why the church was built. Unfortunately, there is no sign or poster displaying such information. Tourists have raised the issue of insufficient information in interviews with us.

An even more important infrastructural issue is that the road is very bad and only SUVs can manage to reach the top. There are hiking trails as well but the road crosses it at several points, making hikers complain. Some tourists were suggesting to close the road for car and leave it only for hikers, thus preserving the genuineness of the place as well. But more tourists were leaning towards fixing the road so that it is easier for all interested people to reach the church. Another infrastructural issue is that there is only one public toilet on the territory of the church and it is in a disgusting condition. Most tourists avoid using it.

Another suggestion from tourists were about selling local produce in Gergeti or least in the center of Stepantsminda. There are no souvenirs being sold in Kazbegi, except a wool shop that sells wool products not very far from the center of Stepantsminda. The issue is that tourists might easily miss the place, the choice is restricted to wool materials, and prices tend to be quite high.

We spent a whole day on the site, to see how many tourists the place attracts on a good day of a high season. We estimated that up to 500 people visit the place every day, assuming there is a good weather. Most of the visitors are on a day-trip, not staying in Kazbegi. Non-Georgian tourists would often go back to Tbilisi and then continue leave for Kakheti on the next day, another day-trip to taste of the good local wine.

Gveleti waterfalls

Gveleti waterfalls are about 6-7 kilometers from the center of Stepantsminda. Most of the road is good, but the final kilometer or so is accessible only for high clearance 4x4 vehicles. There are two waterfalls, "small" and "large." While the small waterfall is close to the final car stop, it is the large waterfall that draws the tourists. Although Gveleti waterfalls fall far behind Gergeti Sameba church in terms of popularity, it is still number two both for non-Georgians (27%) and Georgians (63%).

There is also a camping site at Gveleti which is usually quite busy. It is a good place for amateur alpinists to plan hikes of different difficulty levels. There is drinking water on the territory, making it possible to stay at the place for prolonged time. There is no other infrastructure. In our conversations with tourists, suggestions were made to put up directions and information signs. Tourists like to know what animals and plants can be found in the region, as well. They are also interested in geology, history and local culture.

Another suggestion coming from tourists was about having a place where they could buy food. There is a small shop nearby but a candy bar and eggs that campers bought had expired dates on them.

When we visited the site, we came across a group of 30-40 young alpinists from Batumi who had been coming to Gveleti for the last 5 years. They are financed by the municipality of Batumi and in their 8 days of staying do climbing and trekking trainings for people between the age of 17 and 28. This training takes place in three regions of Georgia: Svaneti, Khevi and Racha (8 days per region). They bring their own food from Batumi and travel with minivans organized by their municipality. This year the camp site was booked, so they camped outside close to the waterfall, but with official agreement with the Kazbegi municipality. Including this group, we counted roughly 170 visitors on the site, in 22 groups. The villagers (there are only 3 households who live in Gveleti) told us that on a good day up to 200 visitors come, which corresponded to our estimates. More than half of the

visitors were from Israel. They usually hire taxi (Delica) in Kazbegi. Some Georgian and Russian tourists came using their own cars.

Mt. Kazbegi and the related places

Mt. Kazbegi is a signature place of not only Kazbegi, but also Georgia. Many amateur and experienced climbers come to Georgia for the sole reason to ascend the 5,047 meter peak, which is the tallest mountain in the Eastern Caucasus. It is high and interesting enough to draw experienced climbers and not so difficult so that inexperienced climbers can attempt the ascent as well. Mt. Kazbegi is important for Georgian culture as it is often an object of tales and poems. In a clear day it can be seen from as far as Tbilisi, inciting admiration and interest.

The route to Mt. Kazbegi goes through Gergeti. After about 2.5-3 hours of hike, which includes covering about 6 kilometers of horizontal and almost 1 kilometer of vertical trail, you can reach the Arsha pass at almost exactly at 3,000 meter altitude. Beyond The Arsha pass, there are fascinating views of Mt. Kazbegi and the massive Gergeti Glacier with its steep and spectacular end. You can also look back and enjoy no less fascinating views of the Gergeti Sameba Church, looked from above, in the background of high Caucasian mountains. Some tourists who are not ready to reach the summit yet, come to this point or slightly further to the glacier or the basecamp (3670 meters altitude).

The basecamp is located in a beautiful place in the building that used to be a meteorological station during the Soviet times. Most people who stay at basecamp try to ascend Mt. Kazbegi as well. Spending a night in a shared room for 8 persons at the basecamp costs 35 lari. People can also rent a tent for 10 lari and sleep outside. The building is usually quite occupied during the season. The managers of the basecamp record the visitors' data. On a busy day, there are 150-200 visitors either renting room or tents from the basecamp.

The basecamp also has a kitchen and visitors can either prepare their own food or request a housekeeper to make one for them. The basecamp also has climbing gear for rent for 5 lari per piece. Thus, renting a full gear will cost about 35 lari. This will include things like crampons, ice-axe, harness and carabiners. Curiously there are no sleeping bags for rent at the basecamp, although the demand is quite high among tourists. Many tourists prefer to carry as little load as possible that high. Tourists can also rent a horse in Gergeti for 200 lari. A horse can carry 4 large bags from Gergeti to the basecamp.

The basecamp operates from March to October, high seasons being July and August. This year, there had been approximately 1200 registered visitors from March to the end of July, when we checked the book of records at the basecamp. The expected number tourists who stay at the basecamp is around 4,000. There usually are even more people who pass the basecamp and stay in their own tents. In total, roughly 10,000 tourists visit Mt. Kazbegi every year.

There are two major infrastructural problems that most tourists who go to Mt. Kazbegi emphasize. First, is a horrible condition of the toilet at the basecamp. Even basic simple rules are not being kept to improve it. The second issue is even bigger. There are no clear signs or marks that would direct tourists to different destinations. This is not a problem for groups of tourists who come with guides. But it is a serious problem for non-commercial groups who do not know the route well and risk ending up in serious problems.

Unlike the mountains like Kiliminjaro in Tanzania, Ararat in Turkey or Mount Blancin France, where it is required to have a certified guide to ascend the territory, there no special fees or guides required

in Kazbegi. Combined with cheap flights, this feature of Kazbegi makes it affordable for relatively low-budget tourists from Poland, Czech Republic, Russia, Ukraine and other countries. Lack of regulation, easy access and a sense that Kazbegi is accessible to non-professionals, has created a dangerous mixture and there are fatalities in Kazbegi every season. This year, one Czech tourist and one Polish tourist died. The incidents happened in the course of 2 days, exactly when our researcher was on the mountain as well. Clearly, this is a major risk factor for mountain-climbing tourism and, in addition to the tragedy of every life lost, may start to tarnish the reputation of the region. Therefore, it is clear that something needs to change to try and make mountain climbing on Kazbegi safer as, in spite of the deaths, it does not currently seem to be a priority.

Although there is a rescue service that can send a helicopter and a team of mountain climbers in Kazbegi, the system is not effective for several reasons. First, from a purely objective point of view, it has to be a clear weather for a helicopter to be able to reach the place. Second, as a standard procedure, rescue mission starts only after it is verified that somebody is missing. The missions are very expensive, so the decision-makers want to make sure that they do not react on false alarms. This can delay the rescue missions. In an example of a Polish tourist, the rescue mission started only on day 3, and it was already impossible to retrieve the body. What is also surprising is that while many tourists on the mountain usually have quite expensive insurance plans, the rescue service doesn't take that into account when making decision on justifying rescue services.

Sno valley

Sno valley, starting from the Sno village, is just 3 kilometers off the main road, on the way to Juta. There is a beautiful old tower in the village and the views of Mt. Kazbegi are especially beautiful from here as the mountain can be seen through a large and picturesque valley. Sno has become a sort of pilgrimage site for Georgians as it is a birth-place of the Ilia the Second, Patriarch of the Georgian Orthodox Church. The patriarchate has built a sizable residence in the village and the patriarch often comes to spend some time here. There are also other villages in the valley, Achkoti, Karkucha and Akhaltsikhe. But the good road ends in the Sno village and reaching other villages is easier on a 4x4 vehicle. In one of the villages, one family organized a small museum of ancient artifacts found in the vicinity. But the "museum" is almost exclusively not for tourists, just for personal use. Usually, tourists don't stay in the Sno valley. Normally, they continue their road to Juta.

Juta

Juta is located between 2,100 and 2,200 meters above the sea level. While other tourists' destinations in Kazbegi are centered around Stepantsminda, Juta can be viewed as a "stand-alone" place. Many tourists go to Juta without seeing other tourist sites of Kazbegi. Not only Juta offers fantastic views of the Chaukhebi mountains, but there are also trails for experienced hikers that will take them to Roshka in Khevsureti, through a pass at around 3,200 meters above the sea level. There are about 20 households living in Juta. Half of them offer guesthouse type accommodation to tourists, and there are also 3 relatively large hotels. The biggest infrastructural problem for Juta is the road. It is hard enough to get to the village in Summer, but in winter the snow rarely gets clear and many villagers just spend all winter in the village. The two hotels that are located relatively higher than the village also have great procurement issues, as cars can't reach their places and they need to carry things by hand.

Another problem, also important for tourists, is internet. There is no internet in Juta. What is worse, there is only one mobile phone operator that functions in Juta, Geocell. Tourists who use other mobile operators will be left without internet or phone communication for their duration in Juta.

Alexandre Kazbegi Museum

Alexandre Kazbegi museum is located in the center of Stepantsminda. Alexandre Kazbegi was a famous 19th century writer from Kazbegi. Being an extremely educated, wealthy and curious man, Kazbegi has collected many archeological and ethnographic artefacts from the region. The museum currently is not in a good shape and is not of high interest among non-Georgian tourists. Visitors who come to the museum often say that while the first floor of the museum is mediocre, the second floor is much more interesting and offers more exponents for curious visitors. Although 17% of non-Georgian tourists claim that they have been to the museum, the day we spent there only very few tourists showed up.

Trusso pass

The Trusso pass is relatively less known tourist destination in Kazbegi, compared to Juta or Mt Kazbegi. The Trusso valley starts from the abandoned village of Okrokana 4 kilometers off the main road from Kobi village. Villages in the valley used to be inhabited by ethnic Ossetians but are now empty. Kobi is basically the last remaining village in the area, with only 5 households still living there. It is unfortunate because from tourism point of view as Kobi is an excellent place to start off hiking towards the Trusso valley. There are sour waters, as well as old village remnants. There is also a beautiful fortress, but it is close to the South Ossetian administrative border, and tourists would need a special permission to enter the territory.

To reach the entrance point, Okrokana, tourists usually hire a “Delica” in Kazbegi for GEL 50-80. The taxi drops them off in the morning and then comes back for them at a designated time. It is equally popular to rent a car in Tbilisi. Prices start from GEL 100 per day, depending on the car model and its condition. Another means to get to Okrokana is to hitchhike to Kobi, and then walk 4 kilometers to Okrokana.

We spent a day at Okrokana, entrance for the Trusso valley. Even though there were short rain showers from time to time, we counted 18 groups of around 70 tourists. Most of the time it would be a couple or a small group of friends who either hitchhike to the main road or rent a car and reach the Okrokana village, where they leave their car and walk. Some people go in the valley with 4x4 vehicles, but most tourists prefer to hike. One complaint that we heard from a group of Israeli tourists was that they would be happy if there was some sort of a loop or another route that would leave them from Trusso to another place. *“We hate walking up and down the same route. It’s boring.”* There are trails that go through mountains and take hikers to the direction on Mt. Kazbegi, but those are not for hikers looking for a relative easy trail.

Usually, Trusso is a day-trip. People go in the morning and come back late afternoon. But we also encountered tourists from the Odessa Alpine Club who had come through the Suatisi pass and set tents in Trusso.

Trusso trails are also interesting for cyclists. We saw a French couple that had left their car in Okrokana and were cycling in and around Trusso valley. The problem however is that in summer, there are sheep and large shepherd dog might be a threat for cyclists as well as hikers.

How people come to know about the Trusso valley varied greatly. A Spanish couple said that while in a guesthouse in Kazbegi, they saw a calendar photo of a beautiful castle. They learned from the guesthouse owner that it was in Trusso and decided to come to see. Only after the border guards turned them away did they realize that the castle was in the “security zone,” impossible to reach without a special permission. Tourists from Israel had heard about Trusso in various online forums in

Israel, so they had planned to come. In both of these cases tourists were complaining that there not enough signs so that they could be sure how to go to Trusso and what to expect to see there.

A Little Extra: Other things that can be done in Kazbegi

There are two rental places in the center of Stepantsminda that offer a variety of services as well as rental equipment. A tourist can ask for a guide here. A daily price for a guide that will take a tourist up Mt. Kazbegi varies from 400 to 500 Euros. Very few of the guides can also organize a ski-tour: climbing Mt. Kazbegi in Winter and then skiing down all the way. Guides are usually local and it might take a few days to find one. There are about 20 people in Kazbegi who claim to be guides, but the experience and skills vary. There is no certification or any other structured way of knowing who is a credible guide, so a tourist only has a choice to take a word from the rental owner, or look for a guide elsewhere. Often, tourists will find a guide or a company in Tbilisi and then if an additional guide is needed, somebody local will be hired.

The same places also offer bicycles for rent at very affordable price, 15 lari per day. For comparison, renting a bicycle in Tbilisi costs around 18-20 lari. Two most common routes are Trusso and Sno valley. Capable cyclists also go all the way up to Juta. 15% of our respondents said that they have used bicycles in Kazbegi. New bicycle routes and promotion of bicycle tours seems to have a potential in Kazbegi.

Horse rental is less popular than bicycles. Most guesthouses arrange this service for 15 lari if there is an interest from a tourist.

Until last year, there had been an organization in Kazbegi that provided paragliding services. But apparently Kazbegi is not the best place for paragliding due to the way wind blows here. So the office was closed and moved to Gudauri. Some people still do paragliding in Kazbegi, but usually they go up to Kazbegi with their own gear to do paragliding. In our survey, 4 out of 190 people said that they have done paragliding in Kazbegi.

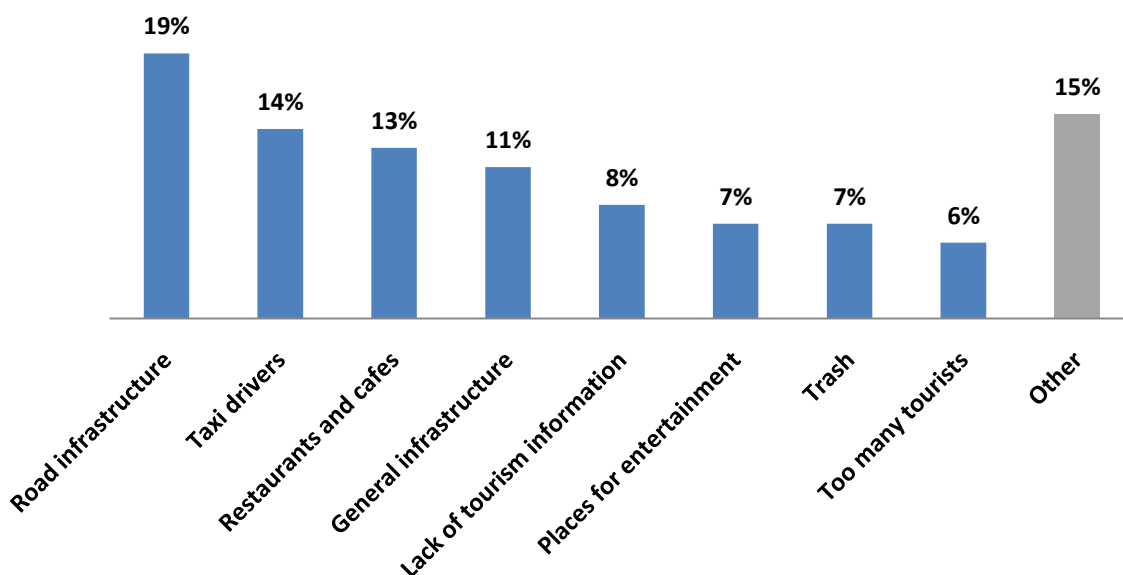
Bird-watching is another reason why tourists come to Kazbegi. These are usually groups of 10-15 people. They often stay at the hotel that belongs to Ilia University as they have academic connections to the university.

Tourist experiences of Kazbegi

Listing of issues in general

Almost all tourists said in the survey that they like views, especially of Mt. Kazbegi, and people in this region. As great and magnificent Mt. Kazbegi and all the rest of region is, it can easily turn into a very unpleasant experience for tourists and locals if some of the pressing issues are not addressed in time. There are all kinds of problems that pose threat to the potential of tourism development in Kazbegi. We asked respondents to list what they didn't like about Kazbegi. While many were either refusing to answer this question or were saying that there was nothing they didn't like, 72 respondents listed specific issues they wanted to see improved. The responses are broken down below in broader categories (original answers were too specific to include in the report).

Figure 6: Major problems in Kazbegi. Tourist survey



The first impression tourists get when visiting major tourist sites in Kazbegi is that roads are in horrible conditions. The curious thing is that local taxi drivers are not keen on fixing the roads to major tourist attractions as they see as the threat to their “Delica” business. If everybody can get to the Gergeti church, then who will hire their service?

Apart from roads, taxi drivers and the driving culture in Georgia are the next major disappointment for tourists. This will be discussed in details in the section “Of Monsters and Dead People.” People feel that restaurants and cafes in the center of Kazbegi are overpriced, with not many options and the service often leaves the tourists to wish for better. This is particularly unfortunate, as Kazbegi has a range of foods for which it is particularly famous, including Mokhevuri Khinkali, Khabizgina and Mkhlovani.

Tourists need to be well prepared before coming to Kazbegi. Not only there is no tourist information center, but even the major tourist sites do not provide detailed descriptions. Routes and trekking are problem as well. We met a couple from Spain who had seen a beautiful fortress from Trusso valley on a calendar photo. They went to see it, but were unsure how to get to it, and once they got the directions right, were turned back by border guards who patrol the valley near South Ossetia. A member of the Israeli group said *“we know how to get to the starting points of the places, but we don’t know where the routes will lead.”* Some trekking routes have been marked on the map by Geoland. But these maps are hard to come by. We saw only one place in Juta selling these maps. More importantly, there is no one place that would be responsible for marking the routes. The Kazbegi National Park is responsible on its own territory, but the exact boundaries of what the park will have are still to be defined. For now, the park consists of several unconnected territories, with no tourist information center and, respectively, no established hiking routes, unlike other, already established national parks in Georgia.

Roof and Shelter

There is 1 large hotel, 3 medium-sized hotels and approximately 60 guesthouses in the center of Kazbegi. Together, they offer roughly 1,000 beds. Most of these are inside Stepantsminda, 11 guesthouses are in Gergeti and 2 in Arsha. In addition, there are 3 small hotels in Juta and about 10

households offer accommodation. This means that at full capacity, Kazbegi municipality (excluding Gudauri) can host 120,000 person/nights during a 4-month season. During high season, which lasts from July to the beginning of September, it is often the case that guesthouses are full and the owners take guests to a neighboring guesthouse.

As tourism started to develop, many families decided to move back from Tbilisi for summer as Kazbegi offered opportunities for a decent income. *“We wouldn’t come to live in Kazbegi if tourism was not so developed. We relocated from Tbilisi because of this”* (a Guesthouse owner). It is often the case that a family is split and some members live in Tbilisi while other look after a guesthouse or taxi business in Kazbegi.

More than half of the 60 or so guesthouses in Kazbegi are on bookings.com. Some of them also use other sites, such as airbnb or tripadvisor. The major source of guests is word of mouth. But as the guesthouse is confident in its operations, they start using bookings.com and their business goes up. Very few of the guesthouses are registered and pay taxes. According to the old tax regulations, if they were registered as micro-businesses, then they didn’t have to pay taxes on less than GEL 30 thousand income, which would cover most guesthouses. But now the regulations have changed and there is no such thing as micro-business. So the newly emerged guesthouse very rarely decide to go through the hassle of registering with tax authorities and paying taxes. We only came across 12 guesthouses that were registered.²

A typical guesthouse in Kazbegi will host around 140-150 visitors per month during high season. They also receive guests during winter, but usually these will be truck drivers in case roads are blocked or people who prefer to travel to Gudauri from Kazbegi. So the total numbers are not high.

The minimal prices per person are GEL 10-15 for a bed, usually for a hostel type. A breakfast or any other meal on top of that is usually between GEL 5-10. But mostly accommodation, including breakfast, is between GEL 25-35 in Kazbegi guesthouses. In Stepantsminda and Gergeti everybody has internet, albeit not very fast and reliable. Almost everybody can offer additional services such as driving and horse-riding by asking their relatives.

Of the 48 tourists from our detailed survey who were staying in Kazbegi, 40% said that they arranged accommodation through an online site, such as booking.com. 27% arranged accommodation after coming Kazbegi, usually asking around in the town center, among Delica drivers. 8% had their accommodation arranged by a tourist company. The answers from the rest didn’t form large categories. Answers varied from “a friend arranged from Tbilisi” to “with help from an online forum in Israel” to “my friend owns a private house in Kazbegi.”

Usually, there is not a lot of choice for breakfast. And tourists often note that it is not differentiated from other meals. For example, when we stayed at a guest-house, the landlady served us with chicken legs for breakfast. Some guesthouses offer traditional Georgian feasts, such as Georgian style barbecue. It is not uncommon that hosts let the guests drink Chacha without charging them. But the idea of local hospitality can go too far at times. For example, one guesthouse owner was suggesting that locals should *“revive old traditions and let the tourists watch them, like sacrificing [i.e.*

²It has to be noted that guest-house owners were reluctant to talk about registration in fear of exposing themselves to tax obligations.

slaughtering] a pig.”It’s hard to imagine how such a bloody scene would lead Kazbegi to tourism development.

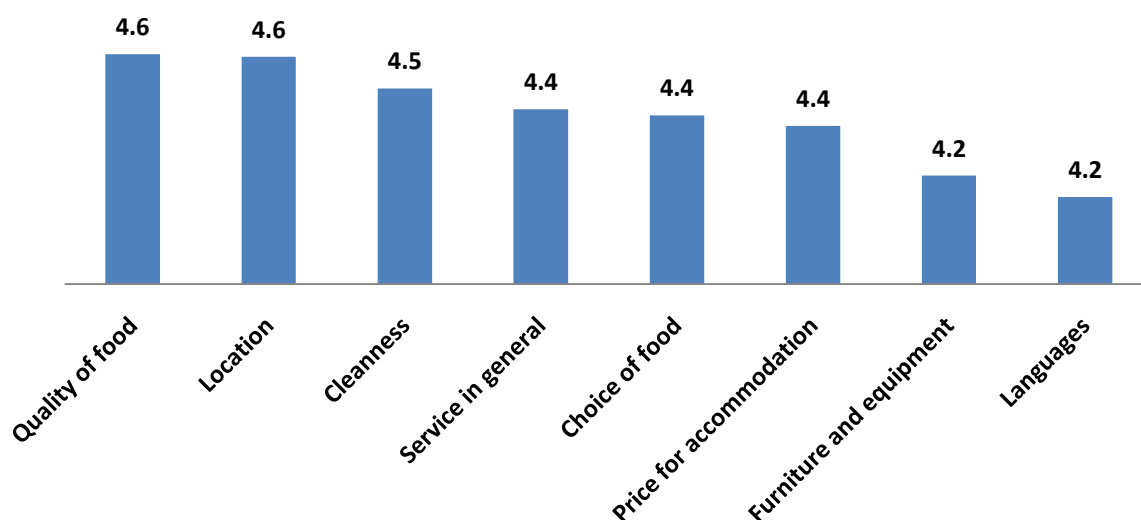
There are some vegetarian options at guesthouses, but usually they are just stripped down versions of regular meals. One tourist said that *“what I really miss here is just salad leaves, lettuce. There are not enough greens with meals here.”* Apart from more non-meat options, tourists from Israel were also wishing to have Kosher/Halal place where they would be sure that they are served the right kind of meat. In general, tourists also often complained about the prices and service at Stepantsminda’s restaurants and cafes. This is particularly bad for the tourism situation because almost half of the respondents from our detailed survey said that their primary eating place were those restaurants and cafes of Stepantsminda. Those who stay at guesthouses, usually have their breakfast there (tourists from Israel often prefer to use kitchen and prepare their own Kosher food) and then take some snack for a hike. In the evening, they usually go to restaurants and back to their guest-houses again.

Eating or drinking at night is impossible. All places are closed by 11 pm. One late-arriving group representative said that they were very hungry and wanted have a simple sandwich. But they had arrived just before 11 and all cafes, although still open and serving guests, said that kitchens were closed and could not take orders. Even making a simple snack was not an option.

Usually guesthouses speak some Russian, with a very few words of English. Some also know words in Polish, German and Hebrew. It was also common that adult children of guesthouse owners would know some English and helping their parents in communicating with tourists.

We have asked tourists to assess their accommodation places on a scale of “1” to “5” where “1” is very bad and “5” is very good.

Figure 7: Assessment of accommodation places by tourists. Tourism survey.



The graph shows that although the tourists were happy with the quality of food at guesthouses and hotels, and many guest-houses brag about their food, there is not usually much choice of food. Tourists put lowest marks to “furniture and equipment” and “language” components. Furniture is often old and beds can be uncomfortable while very few people can speak more than even conversational Russian. Some guesthouse owners have young children, often living in Tbilisi, who help them communicating with tourists. Google translate also comes handy at times.

The big problem in tourists-guesthouse owner relations starts when the water is out. We received comments from tourists as well as guesthouse owners, complaining that they are not in control of water supply. Apparently, there is one outdated reservoir in Kazbegi and during bad weather it might break down, leaving Kazbegi without water. Locals also suspect that the Rooms hotel is to blame because it fills up its huge water reservoir.

Of monsters and dead people: the “Station” business model of Kazbegi

The Japanese car model, Delica, with a steering wheel on the right side is nothing short of an off-road monster. Going up to the Gergeti Sameba, Gveleti waterfalls or Juta is not an easy task, but such routes are not very difficult for Delica vehicles. At the center of Stepantsminda, throughout a day, you can count 100-150 Delica vehicles ready to take tourists up. But though these vehicles are strong on the road, the system how that they operate to “get to tourists” is very chaotic and makes tourists feel uncomfortable. When a tourist arrives in the center of Stepantsminda, then several Delica drivers approach him or her and offer their services. There is no queue among drivers and they can get really pushy and annoying. The prices are very expensive: going up to Gergeti Sameba, which is about 6 kilometers from the center of Stepatsmninda, but on a bad road, will cost at least GEL 50. Delica drivers also protect their business from “intruders.” They do not allow drivers from other villages to hang around in Stepantsminda and “steal the tourists.”

Delicas drivers would like the state intervention that can make Stepantsminda more attractive for tourists but the intervention must not become an obstacle for their business. Therefore, Delica drivers are against the fixing roads: *“then small cars will also able to go up to Gergeti.”* They reacted very negatively to the idea of public transportation or a cable car. *“Leave the roads as it is and take care for other things that needs to be taken care of. That’s the way people can survive in Kazbegi, leave the church road alone and mind other things”* were frequent answers from Delica owners.

Similar to Delica drivers, some of the guesthouse owners in Kazbegi also try to find their tourists in the center when tourists first arrive. These are often women who are stand on a Marshutka and Taxi station, waiting for new tourists to arrive and offer their guesthouses. Those women are often called to be “station women” – sadguris kalebi by the local Kazbegians. Sadguris kalebi seemed to be characterized by particular mistrust towards the state or NGOs believing that *“there is no one for them”* and the one that can help them is their own selves. The mistrust was also expressed about the survey we were conducting in Stepantsminda. 5-6 elderly women standing on a station refused to participate in survey one of them by saying “leave me alone!” and later saying: *“we do not need anyone, we will take care our own selves.”* In one of our interviews, even on our question what her business needed to develop further, she replied that she just needed to work hard.

Other guesthouse owners tend to marginalize sadguris kalebi, often claiming that they were creating a unpleasant image of Kazbegi for the tourists: *“they all the time have arguments who will take the tourist at home, how do you think it looks when tourists see that?”* Moreover, many of the guesthouse owners (who are registered on booking.com or on any other websites) have complained that it had often happened that station women *“stole their tourists.”* They explained that tourists often find it difficult to find their guesthouses because of the absence of the street names in the streets. Station women, as they claim, take an advantage of that and convince the confused tourists to go to their guesthouses. Probably the most popular “stealing story” is when a guesthouse owner told a confused tourist that the other guesthouse owner, whom the tourist had booked from

bookings.com, had died, so he offered his place instead. Of course, the woman who was supposedly dead was well and healthy, and very angry at station people.

Ways of moving forward: recommendations for development of tourism in Kazbegi

Recommendations can be put into three broad categories: 1) tourism infrastructure; 2) skills and knowledge; and 3) promotion of the local context. We will list specific recommendations under each of these three broad categories.

Tourism infrastructure

Tourism infrastructure is a serious obstacle in realizing Kazbegi's full potential. The problem with infrastructure is many-fold and some of them, albeit most often raised by tourists, are beyond PiN's scope or capacity. This would primarily include fixing the roads or water system. However, there are other infrastructural issues which the PiN project might influence through direct (i.e. grants) or indirect (lobbying through Local Action Groups) actions. One area is marking and putting up signs on the streets of Stepantsminda as well as displaying information signs on important sites. Tourists often find it difficult to locate the guesthouse that had booked from bookings.com, for example. If the fears about tax authorities are ameliorated, PiN could also use the google maps that GeoWel put together. This map has all the guesthouses and hotels and would greatly help the visitors to find a place. However, work needs to be done with the owners of the guesthouses to make sure that are fine about the data going public. As for information signs at important touristic sites, it can be part of a grant competition, allowing local to collect local tales and put together a short summary which then could be translated.

From socio-economic development point of view, PiN can work with tour operators to promote untapped or under-utilized touristic sites and routes of Kazbegi. This would allow spreading the benefits of tourism to the population who do not happen to live in the center of Stepantsminda. It could also be interesting for tourists. During our study, we have come across three distinct opportunities, but there can be more and we feel that initiatives of introducing new tourist routes or sites should be promoted. Here are the three initial suggestions:

- A route from Arsha to Mt. Kazbegi. This is a shorter route than through Gergeti. Although a navigation company Geoland has put it on a map, not many guides, let alone tourists, know about it. If the route becomes popular, then Arsha will see benefits from tourists staying in the village, and we might see the instead of two accommodation places in Arsha now, there will be much more. Promotion of this route can be done through organizing or financing youth expeditions, for example, with help of local experienced guides.
- Right above the village of Sioni, there is a decent hiking, picnic area, with a small forest. This place used to be quite popular during the Soviet times, according to the local inhabitants. When we were there together with PiN and Elkana project staff, there were also discussions about setting up a small ski lift that would allow small-scale family tourism in winter.
- A village in Garbani has the oldest church of Kazbegi (8th century) with very unusual architecture and beautiful views. It could be included in easy trails around the village of Sioni.

For tourists who go up to Mt. Kazbegi, it is important that basic safety rules are reinforced. Big changes, like special fees and obligatory guide usage are implausible and unrealistic to expect. However, putting up direction signs and safety warning, as is a practice on other peaks, can be achieved in cooperation with the government agencies.

Knowledge and skills

Service providers and guesthouse owners in Kazbegi are relatively inexperienced. Basic vocational training in service can make a big impact, raising tourist satisfaction levels and laying ground for increased return visits. There might a room for cooperation with a well-established VET center in the hospitality center, Icarus, and the Rooms hotel in Kazbegi. PiN could help the local youth explain the opportunities that lay in tourism and connect that with Icarus and the Rooms hotel.

In terms of learning the service sector, local guesthouse can learn how to make own surveys to reflect the interests of tourists in their business. This can be such actions as diversifying the meals, making inexpensive adjustments in accommodation to make it more fitting, or making the relevant information accessible to tourists prior to coming to Kazbegi.

PiN also might consider training local guides and provide appropriate certification. Although the difficulty here, among other things, is that there are several guides associations in Georgia and the sphere is largely uncoordinated, with no one body having enough authority to provide credible accreditation. In this context, PiN might be able to connect to European guides associations, so that they can share their experience and knowledge. During our study, we were told by an Austrian consultant that the Austrian Guides Association would be happy for such cooperation.

Local context

By local context we mean promoting local produce of Kazbegi for which there clearly is need. One obvious way of dealing with this is assisting locals in making souvenirs and food, and then helping them to sell these at important sites (first of all, on Gergeti) and the center of Stepantsminda.

In our detailed discussions with tourists, some of them were saying that experiencing local culture would be a good addition to their itinerary in Kazbegi. It can be done through dances, feasts, toasts, and tales. This can especially work with high-end tourists who are willing to pay extra for local experience.

Also, related to general socio-economic development, PiN can assist in developing local value chains, particularly in the milk-sector, so that villages where agriculture is basically the only source of income (in addition to the state assistance and pensions), also receive benefits from the growing tourism sector. A system can be set up so that it is profitable for local farmers to sell milk and other produce to a collector who would then distribute the good in guesthouses of Kazbegi. It should be accompanied with a promotion campaign as well, so that tourists know that what they are eating is produced locally. This can be supplemented with study tours for local producers in parts of Georgia where eco-tourism or agro-tourism have already been tried, for example, in Samtskhe-Javakheti or Kakheti.

Annex 1: Questionnaire for guest-houses and hotels

Date ____/____/____ Name of the accommodation_____

Name and position of the respondent_____

Number of rooms	
Number of beds	
Price	Lowest: Highest:

1. From the list provided below, please indicate which services do you offer to your guests?

1	Food (please indicate how many times a day):
2	Guide / tours (such as a tour of historical sites, horse tours, etc.)
3	Internet
4	Car rental
5	Currency exchange
6	Other (please indicate):
7	Other (please indicate):

2. Do you offer your visitors food with vegetarian options (i.e. no meat or eggs)?

1. Yes	2. No
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3. How often visitors ask for vegetarian or vegan food? (Please, provide assessment on the scale of “1” to “5” where “1” means “extremely rarely” and “5” means “very often”):

4. Approximately how many visitors did you have this year?

In January:	In July:
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5. How many visitors are usually in a group and how many nights do they spend in your accommodation facility?

Number of visitors on average:	Night spent on average:
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6. Please indicate the top three countries from which you receive most visitors.

1.	2.	3.
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7. From the languages listed below, which ones you or employees can speak? (allow more than one answer)

1	Russian
2	English
3	German
4	French
5	Armenian
6	Turkish
7	Other (please, indicate):

8. What kind of advertisement do you use for your accommodation?

1	Facebook page
2	booking.com
3	Flyers (please indicate where do you distribute them):
4	Tour-operators
5	Hotels/hostels in Tbilisi
6	Other(Please indicate):

9.How do you collect the visitors' satisfaction data?

1	I don't collect such information (please skip to q11)
2	Questionnaire forms
3	Feedback frombooking.com
4	Ask in-person
5	Other (please indicate):

10. Have you considered any of the recommendations given by visitors? If yes, what these recommendations were about?

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11. What are the visitors most satisfied or dissatisfied with?

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12. What kind of difficulties do you encounter most often?

1. When dealing with visitors:
2. When doing business in Kazbegi:

13. What does your business need for development?

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14. In your opinion, what does Kazbegi need:

1. To become more appealing for tourists:
2. To improve the business environment:

Annex 2: Questionnaire for tourists (self-administered)

Dear Guest of Kazbegi,

With the support of the EU, an organization called People in Need is conducting a survey of tourists in Kazbegi in order to improve tourist experience in this municipality. If you can take 5 minutes to fill out this questionnaire, you will greatly contribute to the development of Kazbegi and its tourism potential.

Thank you for cooperation!

Tourism Survey

Today's Date: Day ____ Month ____ Year ____

Gender (circle one): Male/Female

Age:

Country (where are you from?):

1. Is it your first time visiting Kazbegi and Georgia?

Kazbegi		Georgia in total (including Kazbegi)	
Yes	No, I have been in Kazbegi before (please specify how many times):	Yes	No, I have been in Georgia before (please specify how many times):

2. How many days do you plan to stay in Kazbegi and in Georgia in total?

Kazbegi	
Georgia	

3. Do you use services of a guide or a travel company?

1	No
2	Yes, a guide from Kazbegi
3	Yes, a guide from Georgia, but outside of Kazbegi
4	Yes, a guide from another country

4. Please tick places you have visited while in Kazbegi and assess on how much you liked them on a scale from "1" to "10" where "1" means "didn't like at all" and "10" means "liked it very much".

#	Name of a place in Kazbegi	Please, circle	Score(1 to 10)
1	Gergeti Sameba church	Yes / No	
2	Gveleti waterfalls	Yes / No	
3	Sno village	Yes / No	
4	Mt Kazbegi and the basecamp	Yes / No	
5	Museum of Alexander Kazbegi	Yes / No	
6	Juta (Zeta camping)	Yes / No	
7	Other (please specify):	Yes / No	
8	Other (please specify):	Yes / No	
9	Other (please specify):	Yes / No	

5. On a scale from “1” to “5” where “1” means “very dissatisfied” and “5” means “very satisfied”, how would you assess each of the components of your Kazbegi accommodation listed below? (you can write N/A if you are not sure about the answer)

#	Component	Score (1 to 5)
1	Service	
2	Price	
3	Food choice	
4	Food quality	
5	Cleanness	
6	Furniture and equipment	
7	Location	
8	Knowledge of necessary languages	
9	Safety (things like fire-alarms or first aid kits)	
10	Security (protection from crime)	

6. From the services listed below, which one have you used and how would you assess them (On a scale from “1” to “10” where “1” means “very dissatisfied” and “10” means “very satisfied”):

#	Service name	Please, circle	Score (1 to 10)
1	Horse riding	Yes / No	
2	Bikes rental	Yes / No	
3	Paragliding	Yes / No	
4	Casino	Yes / No	
5	Other (please specify):	Yes / No	

7. For the listed categories, how much money do you spend per day, approximately, while in Kazbegi? (Please indicate the amount in US dollars)

1	Accommodation	
2	Food	
3	Transportation	
4	Entertainment (ex.: horse-riding)	
5	Other	

8. Is there anything particular that you liked or did not like about Kazbegi experience?

9. Would you have any recommendations about how to increase attractiveness of Kazbegi as a tourist Destination?

Thank you very much for your help!

Enjoy the rest of your stay in Kazbegi and Georgia!

Annex 3: Questionnaire for tourists (detailed)

Date___/___/___

Questionnaire #:

Tourism Survey

Profile

Gender	
Age	
Country	
Number of people in the group	
Employment status	

Kazbegi as a tourist destination

1. Is it your first time visiting Kazbegi and Georgia?

1. Kazbegi		2. Georgia	
Yes	No (please specify how many times have you been here before):	Yes	No (please specify how many times have you been here before):

2. Where did you first hear about Kazbegi as a tourist destination?

1	I am Georgian
2	From a Georgian friend
3	From someone who has visited Kazbegi before
4	From a tourist website (please specify):
5	Other (please specify):

3. How many days do you plan to stay in Kazbegi and in Georgia in total?

1	Kazbegi	
2	Georgia	

4. Please circle the places you have visited while in Kazbegi and assess how much you liked them on a scale from "1" to "10", where "1" means "did not like at all" and "10" means "liked it very much".

#	Name of a place in Kazbegi	Please, circle	Score(1 to 10)
1	GergetiSameba church	Yes / No	
2	Gveleti waterfalls	Yes / No	
3	Sno village	Yes / No	
4	Mt Kazbegi and the basecamp	Yes / No	
5	Museum of Alexander Kazbegi	Yes / No	
6	Juta (Zeta camping)	Yes / No	
7	Truso valley	Yes / No	
8	Kazbegi National Park (explain)	Yes / No	
9	Other (please specify):	Yes / No	
10	Other (please specify):	Yes / No	
11	Other (please specify):	Yes / No	

Food

5. Where do you usually eat in Kazbegi (up to 3 answers. Rank)

1	Bring my own food	
2	Buy simple things at shops	
3	At the guest-house/hotel	
4	At restaurants/cafes/bars	
5	In the street (Khachapuri, Shuwarma, etc.)	
6	Other (please, specify):	

6. If you are usually eating at restaurants, bars or cafes in Kazbegi, can you name the one that you visited most often?

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7. On a scale from “1” to “5” where “1” means “very dissatisfied” and “5” means “very satisfied,” how satisfied are you with the following components of a restaurant, bar or café that you visited most often?

#	Component	Score (1 to 5)
1	Service	
2	Price	
3	Food choice	
4	Food quality	
5	Languages (menu, service, etc.)	

8. Is there any special type of food you would like to have but miss in Kazbegi? (for example, vegetarian food)

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Accommodation

9. Where do you stay in Kazbegi? (Indicate days if several options are selected)

1	Hotel (please specify):
2	Guesthouse/family hotel (please specify):
3	A friend's house
4	Tent
5	Other (please specify):

10. Were you looking for some other type of accommodation and in what price range?

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11. How did you arrange your accommodation?

1	Through a Georgian tourist company (please specify):
2	Through a foreign tourist company
3	Through sites such as booking.com or Airbnb
4	Arranged myself after coming to Kazbegi
5	Other (please specify):

12. On a scale from “1” to “5” where “1” means “very difficult” and “5” means, “very easy” how easy or difficult was it to find and arrange an accommodation in Kazbegi and why?

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13. If you are staying at a hotel or a guesthouse, how would you assess each of the components listed below? (On a scale from “1” to “5” where “1” means “very dissatisfied” and “5” means “very satisfied,”):

#	Component	Score (1 to 5)
1	Service	
2	Price	
3	Food choice	
4	Food quality	
5	Cleanness	
6	Furniture and equipment	
7	Location	
8	Languages	
9	Safety (things like fire-alarms or first aid kits)	
10	Security (protection from crime)	

14. On a scale from “1” to “5” where “1” means “very insecure” and “5” means “very secure,” how secure do you feel in Kazbegi and why?

--

Additional services

15. Do you have access to all the information about Kazbegi that you need as a tourist such as track routes, emergency numbers, site information, etc?

	During the planning phase	During the trip
1	Yes (please note if anything in particular was difficult to access):	Yes (please note if anything in particular was difficult to access):
2	No (please specify):	No (please specify):

16. Do you use services of a guide? Assessment from 1 to 5

1	No (please explain):	
2	Yes, a guide from Kazbegi	
3	Yes, a guide from Georgia, but outside of	

	Kazbegi	
4	Yes, a guide from another country	

17. From the services listed below, which one have you used and how would you assess them (On a scale from “1” to “5” where “1” means “very dissatisfied” and “5” means “very satisfied”):

#	Service type	Yes/No	Score (1 to 5)
1	Horse riding	Yes / No	
2	Bikes rental	Yes / No	
3	Paragliding	Yes / No	
4	Casino	Yes / No	
5	Other (please specify):	Yes / No	

18. What kind of additional activities would you enjoy in Kazbegi as a tourist?

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19. Can you please describe how do you spend a typical evening in Kazbegi?

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20. How did you arrive in Kazbegi?

#	Means of transport
1	Public transport (Bus, marshrutka)
2	Own car
3	Rented car
4	Tourist company car
5	Other (please specify)

21. What means of internal transportation did you use within Kazbegi municipality? (RANK)

#	Means of local transport	Rank
1	Marshrutka	
2	Car rented in Kazbegi	
3	Car rented in Tbilisi	
4	Taxi	
5	Hitchhiking	
6	Own or friend's car	
7	Foot	
8	Other (please, specify):	

22. In your opinion, what kind of services does Kazbegi lack/need?(RANK)

#	Type of service	Rank
1	Cafe/bar/restaurant	
2	Tourist information center	
3	Local products shop	
4	Grocery store	
5	Bookshop	
6	Swimming pool	
7	Souvenir shop	
8	Cultural/folklore events	
9	Attractions/parks for children	
10	Other (please, specify):	
11	Other (please,specify):	

Budget

23. For the listed categories, how much money do you spend per day, approximately, while in Kazbegi? (in USD)

1	Accommodation	
2	Food	
3	Transportation	
4	Entertainment (ex.: horse-riding)	
5	Other	

Other

24. Is there anything particular that you liked about Kazbegi experience?

25. Is there anything particular that you did not like about Kazbegi experience?

26. Would you have any recommendations about how to increase attractiveness of Kazbegi as a tourist Destination?