

# The Average Expenditure per Journey of Inbound Tourists in Greece, 2011-2020

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Dr Aris Ikkos, ISHC  
Research Director

Serafeim Koutsos  
Analyst

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# 1. Summary

The decrease in Average Expenditure per Journey (AEJ) of -€55.0 /-8.6% over the last 10 years in Greece, despite the +12.5% rise over the last 2 years (from €519.6 in 2018 to €584.4 in 2020), is mainly due to a drop in the Average Duration of Stay (ADS) of -0.5 overnights / -5.5% (despite the +17.1% increase in 2020, from 7.4 overnights spent in 2019 to 8.7 overnights spent in 2020), and secondarily due to the reduction in the Average Expenditure per Overnight Stay (AEO) of -€ 2.3 / -3.3%.

In spite of the change in market mix noted in 2020, with an increase in the share of traditional Greek markets that register a travel expenditure up to 4 times higher than that of road arrivals, and a decrease in the market share from the Balkans and Eastern European countries, the average AEJ did not reach 2011 levels (€584.4 in 2020 compared to €693.5 in 2011).

Specifically, for the period 2011-2020, traditional Greek markets<sup>4</sup> saw an increase in their share from 40% in 2011 to 50% in 2020, despite a -44.4% reduction in arrivals from these markets (from 6.6 million in 2011 to 3.7 million in 2020). Conversely, new Greek markets<sup>3</sup> showed a decrease in their share, from 21% in 2011 to 19% in 2020, due to the higher rate of decrease in arrivals from these markets (-58.2%, from 3.4 million in 2011 to 1.4 million in 2020).

<sup>3</sup> Bulgaria, North Macedonia, Romania, Serbia and Albania

<sup>4</sup> Germany, United Kingdom, France, Italy and the Netherlands, see [Tourism in Greece and the main competitive destinations, 2014-2018](#) (in Greek), p. 13,

## 2. Introduction

## Introduction – 1

### The decrease in the Average Expenditure per Journey in Greece

For the last several years, a constant decrease has been noted in the Average Expenditure per Journey (AEJ) by tourists coming to Greece. This development has been attributed to various reasons, ranging from the global downward trend in the Average Duration of Stay of tourists to the ‘degradation’ of the Greek tourism product.

This study aims to identify the reasons behind this decrease, analysing the change of key indicators on inbound tourism over the years (2011-2020)<sup>1</sup>. The **indicators** analysed are:

- **Average Expenditure per Journey (AEJ),**
- **Average Expenditure Per Overnight Stay (AEO), and**
- **Average Duration of Stay (ADS).**

Given that these three indicators are linked by the equation  $AEJ = AEO * ADS$ , the course of the three indicators is examined to ascertain the extent to which the decrease in the AEJ is because inbound tourists spend less while in the country (i.e. due to a decreased AEO) or because they remain in the country for a shorter time (i.e. due to a decreased ADS).

<sup>1</sup> The indicators are derived from the Bank of Greece Border Survey data. This survey is sample-based and conducted at the main entry-exit points of Greece to collect the necessary information to properly assess the travel expenditure of non-residents in Greece. A non-resident is someone whose permanent domicile is outside Greece, regardless of nationality or citizenship. The tables used were in the section ‘Travel receipts – key figures’ on the website <https://www.bankofgreece.gr/Pages/el/Statistics/externalsector/balance/travelling.aspx>.

The Annex presents detailed annual data on Greece as a whole for the period 2011-2020.

## Introduction – 2

### The significance of market mix for the change in the AEJ

As detailed in the surveys '[An X-RAY of inbound tourism, 2005-2017](#)' and '[An X-RAY of inbound tourism, 2016-2018](#)', a significant change has been noted in recent years in the market mix<sup>2</sup> of inbound tourists, characterized mainly by the considerably higher increase in those coming from neighbouring Balkan countries and the countries of Eastern Europe. These tourists have lower incomes than those from Greece's traditional markets and one would reasonably expect them to spend less money on their holiday. In 2020, according to the survey '[An X-RAY of inbound tourism, 2016-2020](#)', a change was noted in the market mix that differed from previous years, mainly due to the travel restrictions imposed as a result of the pandemic and strict controls imposed at border stations for entering the country (mandatory presentation of negative PCR test within last 72 hours). To isolate the impact of the change in the AEJ from the change in market mix, we compared the actual change in the 3 indicators with the corresponding 'Hypothetical' ones, based on a working hypothesis that the market mix has remained unchanged since 2011.

<sup>2</sup> Market mix: the market share of each country in Greece's inbound tourism.

## Introduction - 3

### The coronavirus pandemic and tourism

Without question, the tourism services sector on a global level has suffered the greatest blow since the start of the pandemic. According to the UN World Tourism Organisation (UNWTO), global tourism for the period 2019-2020 saw a -74% drop in international arrivals, which translates into a loss of approximately 1.08 billion international arrivals resulting from an unprecedented drop in demand and extensive travel restrictions. The collapse of global tourism translates into a loss of \$1.3 trillion in revenue from exports, 11 times greater than losses recorded during the financial crisis of 2009.

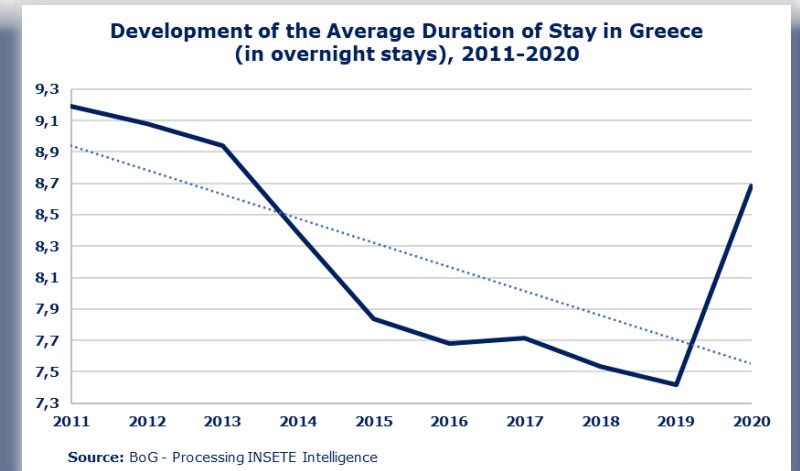
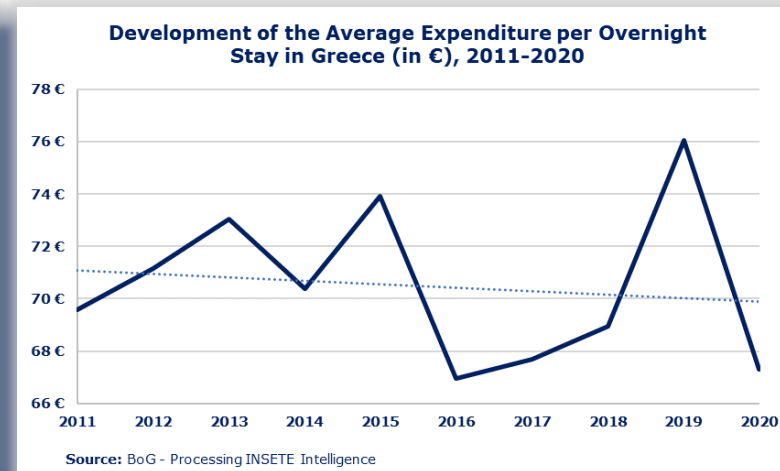
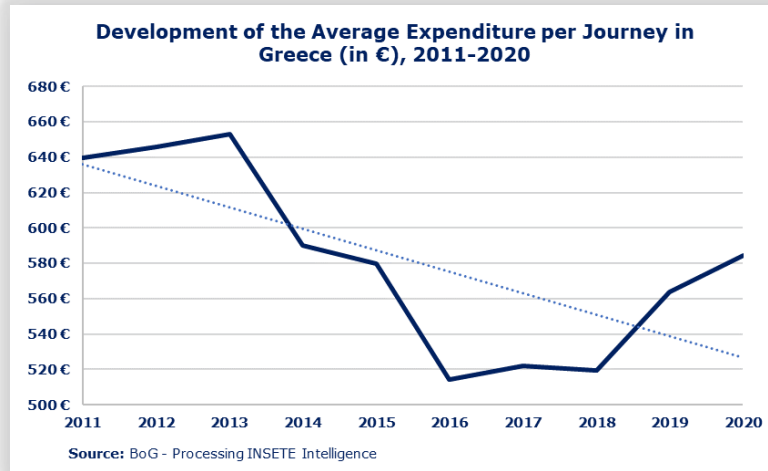
In this adverse tourism environment, Greek tourism was by no means immune, as it saw the upward course reflected in tourism metrics for the country up until February 2020 being suddenly interrupted. Specifically, between 2019 and 2020, a -76.5% drop in arrivals was noted (from 31,348 thousand in 2019 to 7,375 thousand) and a decrease in receipts of -75.6% (from €17,680 million to €4,310 million).

Aside from the impact on tourism metrics, the pandemic also affected the market mix of inbound tourism in Greece. Specifically, between 2019 and 2020, the 5 main markets (Germany, United Kingdom, France, Italy, the Netherlands) showed an increase in their share of arrivals from 36% in 2019 to 50% in 2020 and from 46% to 61% in receipts in those same years. Conversely, the neighbouring Balkan markets, travellers from which mainly come to Greece by road, marked a decrease in their share: from 26% of arrivals in 2019 to 19% in 2020, and from 9% of receipts in 2019 to 7% in 2020. This change in market mix contributed to a 4% increase of the AEJ in 2020 (from €564.0 in 2019 to €584.4 in 2020) because the AEJ for tourists arriving by road is about 4 times smaller than for those arriving by air.



### **3. Change of key indicators in inbound Greek tourism, 2011-2020**

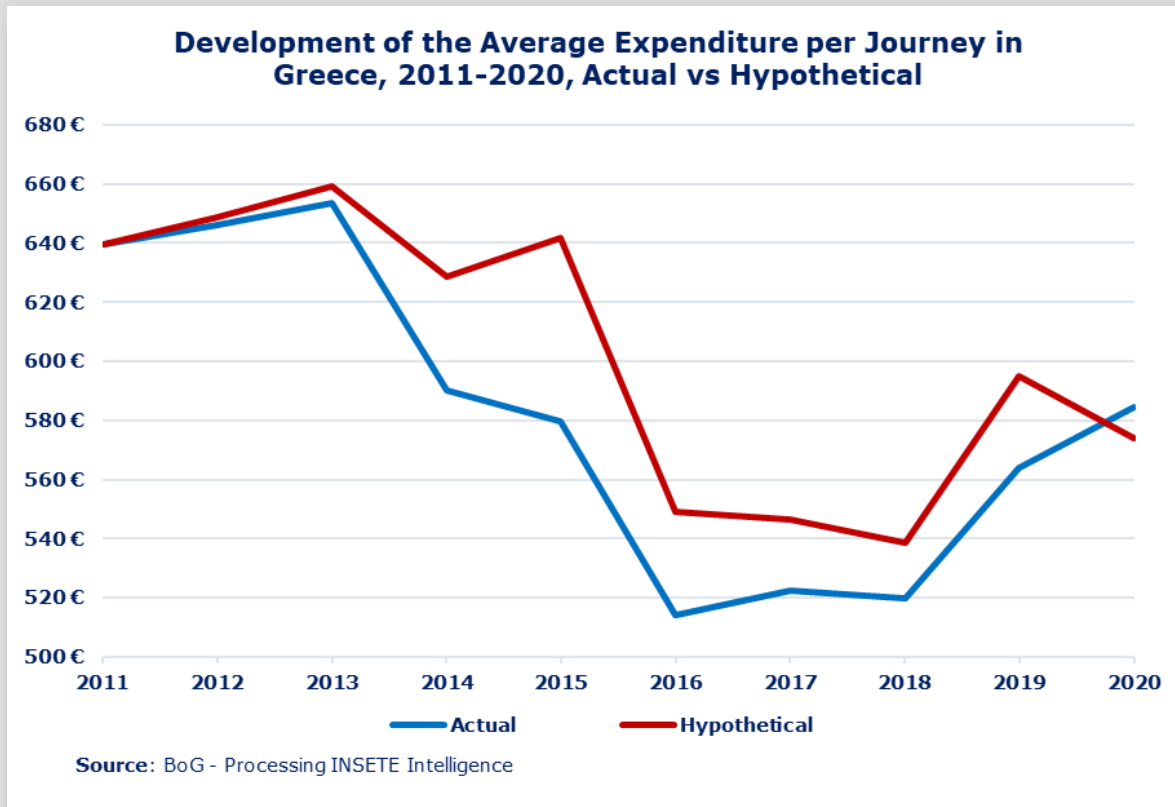
### 3.1 Change of key indicators in Greek tourism, 2011-2020



The AEJ presents a clear downtrend up to 2016, followed by a stabilization and then a significant increase in 2019 and 2020. In total, for the period 2011-2020, a drop of -8.6% is noted, from €639.5 to €584.4. During the period 2011-2018, the downturn in AEJ (-18.7%) is primarily driven by the corresponding ADS (-18.0%) and secondarily by the course of the AEO (-0.9%), which appears more stable despite fluctuations from year to year. Conversely, the increase in AEJ (+8.5%) in 2019 is due to an increase in AEO (+10.3%), while in 2020 it is due to a strong recovery of the ADS (+17.1%) which offset the drop in AEO (-11.5%).

It is worth noting the -11.5% decrease in AEO in 2020 compared to 2019, which resulted from a drop in the AEO in most markets for which data are available (25), except the markets of Poland (+0.1%), the Czech Republic (+1.6%), Romania (+17.8%), Serbia (+29.2%), Turkey (+42.0%), North Macedonia (+48.6%), Bulgaria (+56.3%) and Israel (+115.8%). As a result of this decrease, the AEO nearly returned to 2016 levels (€67.0), nullifying the profits of the previous 3 years.

### 3.2 Change in the Average Expenditure per Journey in Greece 2011- 2020, Actual vs Hypothetical with 2011 market mix<sup>5</sup>



The Hypothetical AEJ, based on the working hypothesis that the market mix of inbound tourists remains at 2011 levels, presented a picture similar to the Actual average up until 2019, but with relatively more marked rates of decrease.

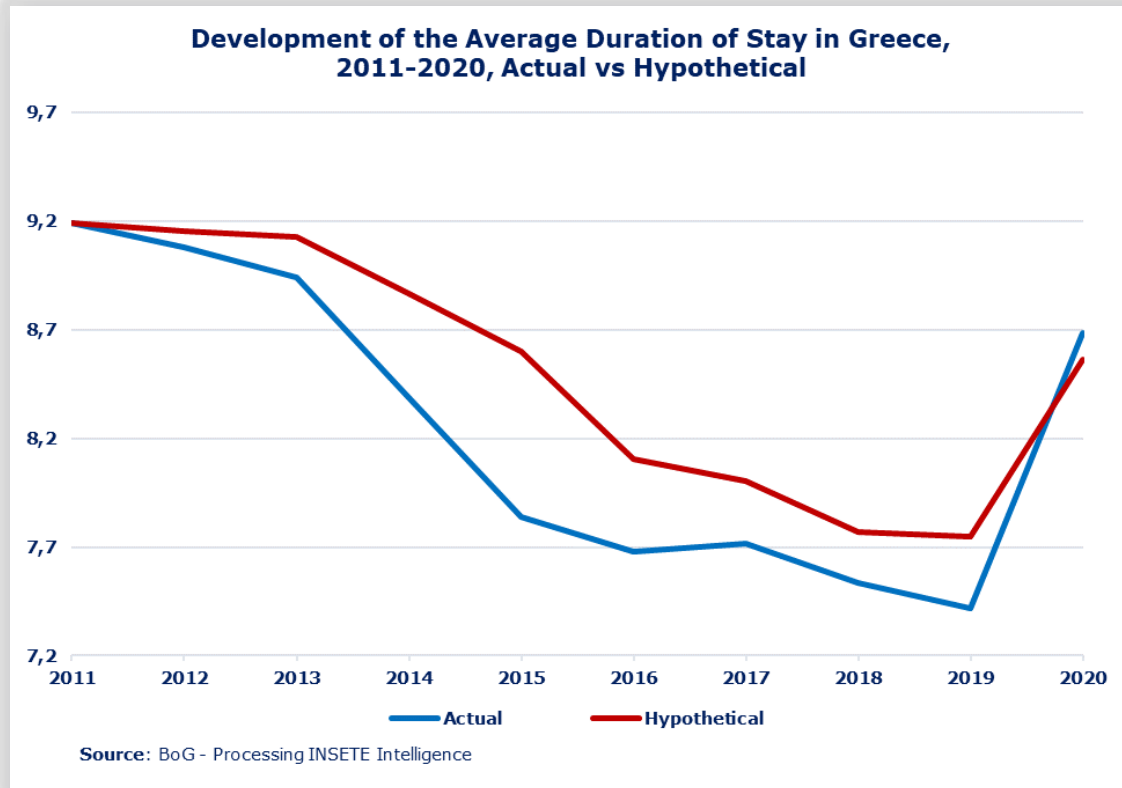
Conversely, in **2020** the picture is reversed and the **Actual AEJ (€584.4)** is higher than the **Hypothetical AEJ (€574.0)**. As shown in section 3.3, this is because in 2020 the Actual AEJ is notably higher than the corresponding Hypothetical one, most probably due to the fact that, in the first year of the pandemic, those who travelled by air from Greece's main markets made far fewer trips but of significantly greater duration.

Overall, for the period 2011-2020, the Hypothetical AEJ showed a **-10.2%** decrease (from **€639.5** to **€574.0**), while the Actual AEJ dropped by **-8.6%** (from **€639.5** to **€584.4**).

<sup>5</sup> Actual: based on Border Survey data.

Hypothetical: based on the working hypothesis that the market mix of inbound tourists remains at 2011 levels.

### 3.3 Change in the Average Duration of Stay in Greece 2011-2020, Actual vs Hypothetical with 2011 market mix<sup>6</sup>



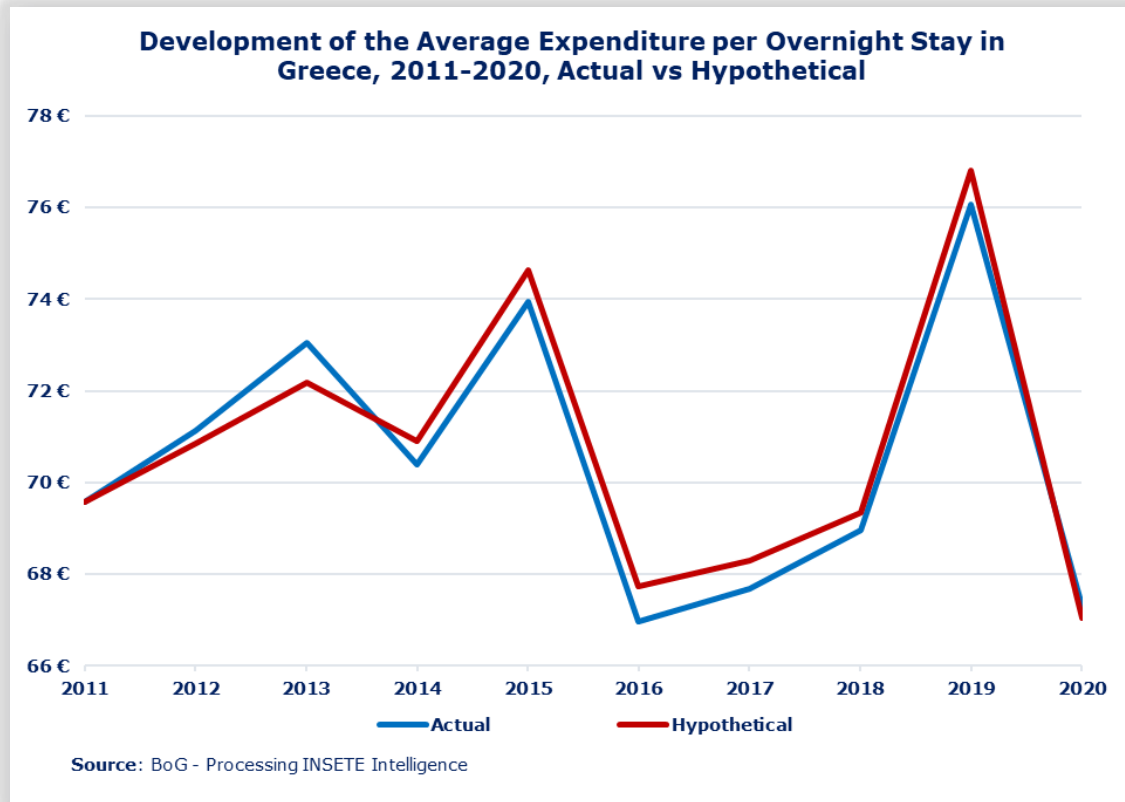
The Hypothetical ADS, based on the working hypothesis that the market mix of inbound tourists remains at 2011 levels, shows changes similar to the Actual ADS, but with less marked rates of decrease. Specifically, between 2011 and 2019, the Hypothetical ADS decreased by **-15,7%** (from **9.2 overnights spent** in 2011 to **7.7 overnights spent** in 2019), while the Actual ADS registered a drop of **-19,3%** (from **9.2 overnights spent** in 2011 to **7.4 overnights spent** in 2019).

Conversely, in **2020** the picture is reversed and the **Actual ADS (8.7 overnights spent)** is marginally higher than the **Hypothetical ADS (8.6 overnights spent)**. This is because, as noted in section 3.2, those travelling by air from Greece's main markets took significantly fewer trips but of considerably longer duration.

In total, for the period 2011-2020, the Hypothetical ADS decreased by **-6,9%** (from **9.2 overnights spent** in 2011 to **8.6 overnights spent** in 2020), while the Actual ADS registered a drop of **-5,5%** (from **9.2 overnights spent** in 2011 to **8.7 overnights spent** in 2020).

<sup>6</sup> Actual: based on Border Survey data.  
Hypothetical: based on the working hypothesis that the market mix of inbound tourists remains at 2011 levels.

### 3.4 Change in the Average Expenditure per Overnight Stay in Greece 2011-2020, Actual vs Hypothetical with 2011 market mix<sup>7</sup>



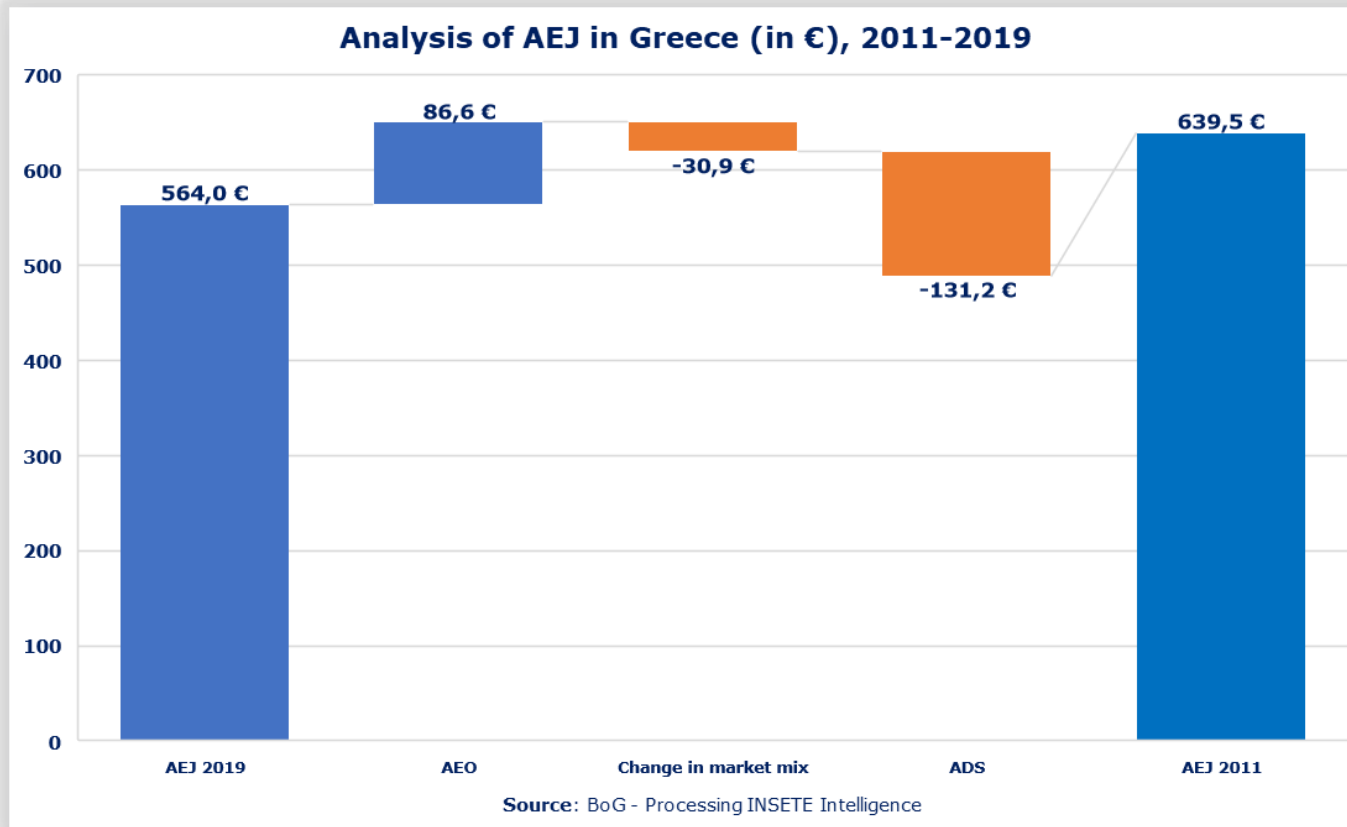
The difference between the Actual and Hypothetical AEO, based on the working hypothesis that the market mix of inbound tourists remains at 2011 levels, has always been very small. This means that the difference in market mix did not result in any significant change in AEO, in contrast to ADS (see 3.3). In other words, for the period 2011-2019, the Hypothetical AEO increased by **+10.4%** (from €69.6 in 2011 to €76.8 in 2019), while the Actual AEO rose **+9.3%** (from €69.6 in 2011 to €76.1 in 2019).

Conversely, in **2020** the picture is reversed and the **Actual AEO (€67.3)** is marginally higher than the **Hypothetical AEO (€67.0)**. This is because, as stated above, those who travelled by air from Greece's main markets made far fewer trips but of significantly longer duration and with a smaller AEO (see section 3.1)

Overall, for the period 2011-2020, the Hypothetical AEO decreased by **-3.6%** (from €69.6 in 2011 to €67.0 in 2020), while the Actual AEO registered a drop of **-3.3%** (from €69.6 in 2011 to €67.3 in 2020).

<sup>7</sup> Actual: based on Border Survey data.  
Hypothetical: based on the working hypothesis that the market mix of inbound tourists remains at 2011 levels.

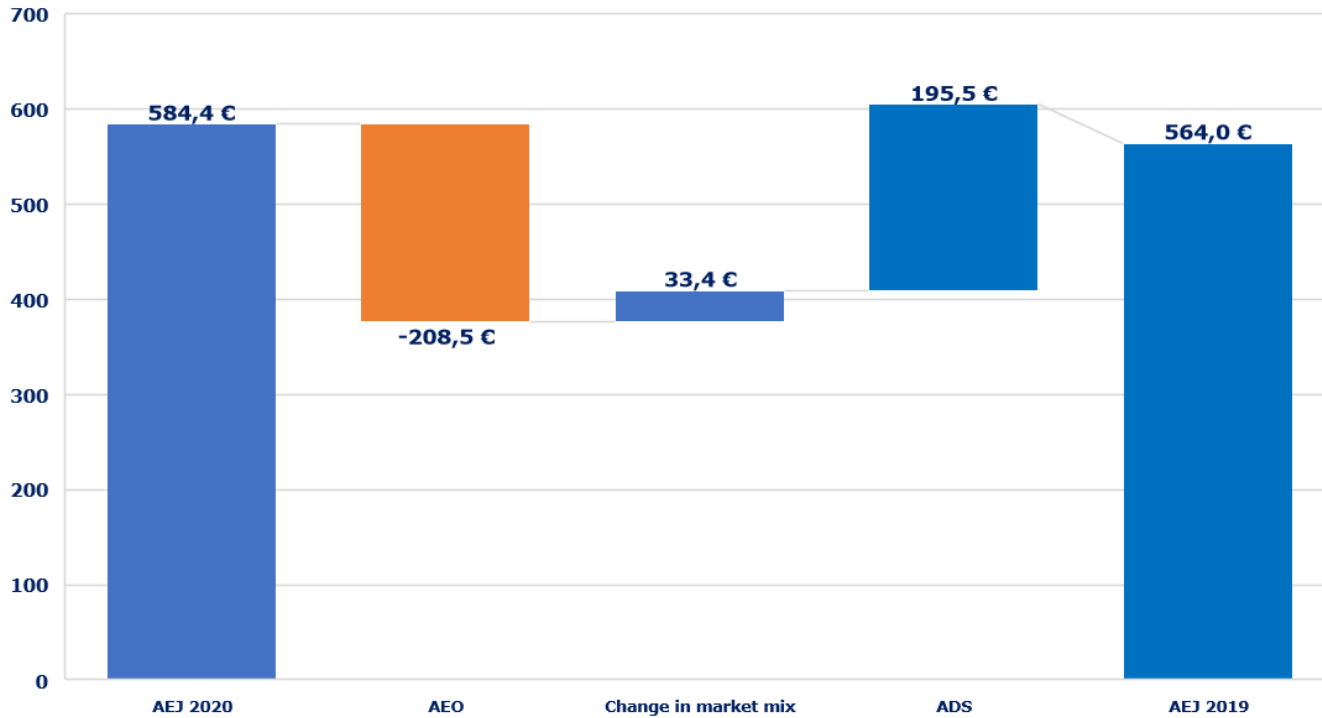
### 3.5. Analysis of AEJ decrease in Greece, 2011-2019



In 2019, the AEJ for all travellers visiting Greece came to **€564.0**. In other words, compared to 2011 (**€639.5**), the AEJ dropped **-11.8%** or **-€75.5**. This decrease occurred despite the increase in the AEO, which on its own would have led to an increase in AEJ of **+€86.6**. However, the change in market mix contributed to a decrease in AEJ by **-€30.9** and the drop in ADS to an additional **-€131.2**.

### 3.6. Analysis of AEJ decrease in Greece, 2019-2020

Analysis of AEJ decrease in Greece (in €), 2019-2020



Source: BoG - Processing INSETE Intelligence

In 2020, the AEJ for all travellers visiting Greece came to **€584.4**. In other words, compared to 2019 (**€564.0**), the AEJ rose **+3.6%** or **+€20.5**. Despite the **-€208.5** decrease in the AEO, this increase is due to the increase in the AEJ by **+€33.4** from the change in market mix and the rise in ADS by an additional **+€195.5**.

## Sources

- [Bank of Greece, Border Survey 2011-2020,](#)
- [An X-RAY of inbound tourism, 2005-2017,](#)
- [An X-RAY of inbound tourism 2016-2018,](#)
- [An X-RAY of inbound tourism 2016-2020 \(in Greek\)](#)
- [Tourism in Greece and the main competitive destinations, 2014-2018 \(in Greek\).](#)



Time series of key figures/indicators*, 2011-2020										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Arrivals (in thous.)	16.427	15.518	17.920	22.033	23.599	24.799	27.194	30.123	31.348	7.374
Overnight Stays (in thous.)	150.978	140.919	160.251	184.789	185.027	190.402	209.855	227.012	232.464	64.053
Receipts (in millions €)	10.505	10.025	11.707	13.005	13.679	12.749	14.202	15.653	17.680	4.310
Average Expenditure per Journey (AEJ) (in €)	639,5	646,0	653,3	590,2	579,6	514,1	522,3	519,6	564,0	584,4
Average Expenditure per Overnight Stay (AEO) (σε €)	69,6	71,1	73,1	70,4	73,9	67,0	67,7	69,0	76,1	67,3
Average Duration of Stay (ADS) (in overnight stays)	9,2	9,1	8,9	8,4	7,8	7,7	7,7	7,5	7,4	8,7

Source: Bank of Greece - Processing INSETE Intelligence

\*Cruise data are not included

INSETE

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ΠΡΟΓΡΑΜΜΑΤΩΝ ΕΤΠΑ, ΤΣ & ΕΚΤ  
ΕΙΔΙΚΗ ΥΠΗΡΕΣΙΑ ΔΙΑΧΕΙΡΙΣΗΣ ΕΠΑΝΕΚ

ΕΠΑΝΕΚ 2014-2020  
ΕΠΙΧΕΙΡΗΣΙΑΚΟ ΠΡΟΓΡΑΜΜΑ  
ΑΝΤΑΓΩΝΙΣΤΙΚΟΤΗΤΑ  
ΕΠΙΧΕΙΡΗΜΑΤΙΚΟΤΗΤΑ  
ΚΑΙΝΟΤΟΜΙΑ



ανάπτυξη - εργασία - αλληλεγγύη

Με τη συγχρηματοδότηση της Ελλάδας και της Ευρωπαϊκής Ένωσης