The Average Expenditure per Journey of Inbound Tourists in Greece, 2014-2023

December 2024





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1. Summary

The increase in Average Expenditure per Journey (AEJ) by € +13.0 /+2.2% over the last ten years in Greece is exclusively due to the increase in Average Expenditure per Overnight Stay (AEO) by € +16.3 /+23.1% since the Average Duration of Stay (ADS) for the same period decreased by -17.0% or -1.4 overnight stays.

The full lifting of travel restrictions globally, including in Asian markets, as travel restrictions in other markets had already been lifted by Q1 2022, had a positive impact on further growth in tourism flows. In particular, inbound tourism in 2023 recorded new peaks in terms of both arrivals and receipts, surpassing even the levels of 2019. In terms of AEJ, its increase over the last decade, especially from 2021 onwards when the situation in the travel industry gradually normalized, is due to:

- inflationary pressures, which have driven the price of the tourism package to higher levels than before the pandemic,
- the increase in the share of trips for Sun & Beach holidays which have a higher expenditure due to a longer length stay,
- the growth of flows from our traditional markets[1], from 35.3% in 2014 to 43.2% in 2023, which have a higher travel expenditure up to 4 times compared to the Balkan markets, and ...
- the decrease in flows from the neighboring Balkan markets and Eastern European countries[2], from 26.8% in 2014 to 22.0% in 2023, which traditionally have a low Length of Stay and therefore low Average Expenditure per Journey.

It is worth noting that although the AEJ decreased in 2022 (-11.7%, from € 702.4 in 2021 to € 620.0 in 2022) and 2023 (-2.7%, from € 620.0 in 2022 to € 603.2 in 2023), it is still above pre-pandemic levels (€ 603 vs. € 564 in 2019).

[1] Germany, United Kingdom. United Kingdom, France, Italy and the Netherlands
[2] Bulgaria, North Macedonia, Serbia, Albania and Romania

2. Introduction

This study analyses the change over time (2014-2023) of the key indicators of inbound tourism[3] . The indicators analyzed are:

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

Since these three indicators are linked through the identity AEJ = AEO * ADS, the path of the three indicators is analysed to determine whether the change in AEJ is due to a change in AEO or ADS, i.e. a change in their consumption habits or their length of stay.

As analysed in the studies "An X-RAY of Inbound tourism, 2005-2017" and "An X-RAY of Inbound tourism, 2016-2018", a significant change in the market mix[4] of inbound tourists -was observed in the period 2005-2019, with a significantly higher increase in the number of tourists coming from neighboring Balkan countries and Eastern European countries. These tourists have lower incomes than tourists from Greece's traditional markets and it is reasonable to expect that they also spend less money during their holidays. In 2020, 2021, 2022 and 2023, according to the studies "An X-RAY of inbound tourism, 2016-2020", "An X-RAY of inbound tourism, 2016-2021", "An X-RAY of inbound tourism, 2019-2022" and "An X-RAY of inbound tourism, 2019-2023", a change in the market mix has been observed, with an increase in the share of our traditional markets[5] and a decrease in the share of the neighboring Balkan markets[6] . In order to isolate the impact on the change in AEJ from the change in the market mix we compared the actual development of the 3 indicators with the corresponding "Hypothetical" ones, with the working assumption that the market mix has remained unchanged since 2014.

[3] The indicators are derived from the Border Survey of the Bank of Greece. This Survey is a sample survey, conducted at the main entry and exit points of the country, with the aim of collecting the necessary information to estimate the travel expenditure of non-residents in Greece. A non-resident is defined as a person who has a permanent residence outside Greece, regardless of his/her nationality or citizenship. The tables 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 for the whole country for the period 2013-2022.

[4] Market mix: is the market share of each country in Greece's inbound tourism.

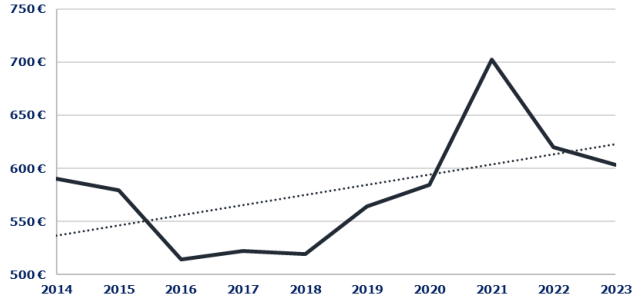
[5] Germany, United Kingdom. United Kingdom, France, Italy and the Netherlands

[6] Bulgaria, North Macedonia, Albania, Serbia and Romania

3. Development of key indicators of inbound Greek tourism, 2014-2023

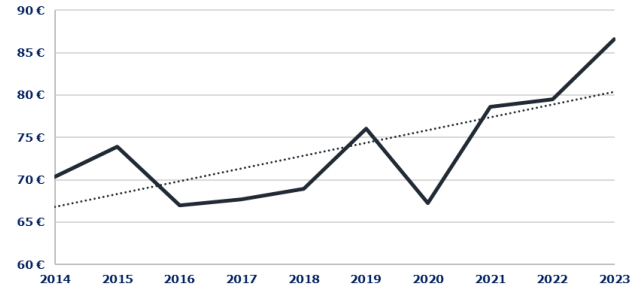
3.1 Development of key indicators of inbound Greek tourism, 2014-2023

Graph 1: Development of AEJ in Greece (in €), 2014-23



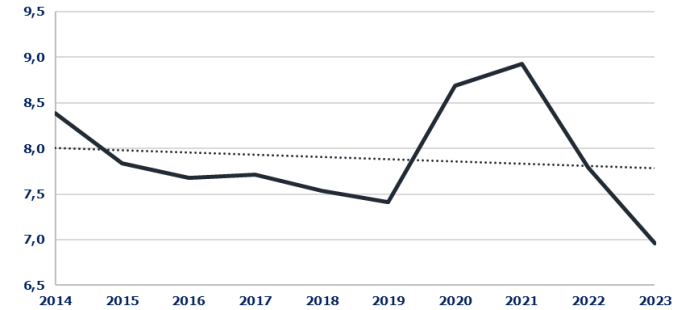
Source: BoG - Processing INSETE Intelligence

Graph 2: Development of AEO in Greece (in €), 2014-23



Source: BoG - Processing INSETE Intelligence

Graph 3: Development of ADS in Greece (in €), 2014-23



Source: BoG - Processing INSETE Intelligence

In the years 2019 (+8.5%), 2020 (+3.6%) and 2021 (+20.2%) there is a reversal of the downward trend in the AEJ, covering the losses recorded until 2018, while in 2022 and 2023, with the increase in flows from neighboring Balkan markets, the increase in City Break trips and the prolonged inflationary crisis that gnawed away at household disposable income, the AEJ fell by -11.7% and -2.7% respectively. Specifically, the 2014-2019 period saw a decrease in AEJ, with the exception of 2017 (+1.6%) and 2019 (+8.5%), by -4.4% (from € 590.2 in 2014 to € 564.0 in 2019), while in the 2019-2023 period it increased by +7.0% (to € 603.2 in 2023).

In 2023, for the third consecutive year, the AEO increased by +8.9% (from € 79.5 in 2022 to € 86.6 in 2023), marking the highest value since the start of the Border Survey, while the increase over the period 2014-2023 was +23.1% (from € 70.4 in 2014 to € 86.6 in 2023). The increase in the AEO in 2023 was the result of the increase in all markets, with the exception of the markets of North Macedonia (-28.9%), Russia (-27.9%), Italy (-12.7%), Canada (-11.8%), Israel (-10.0%), USA (-7.1%), Bulgaria (-2.6%), Serbia (-1.1%) and Romania (-1.0%). That is, 4 of the 9 markets that recorded a decrease were Balkan or neighboring markets, while only one Eurozone market showed a decrease.

The ADS for 2nd consecutive year showed a decrease, after two years of increases, 2020 +17.1% and 2021 +2.8%. Specifically, the ADS decreased in 2023 by -10.7% or -0.8 overnight stays (from 7.8 overnight stays in 2022 to 7.0 overnight stays in 2023), recording the lowest value in the period under review.

In the period 2014-2019 there is a long-term decrease in the ADS, with the exception of a marginal increase in 2017 (+0.5%), following on the one hand the international trend of tourists taking more frequent but shorter holidays, and on the other hand due to the increase in inbound tourism from the neighboring Balkan markets that traditionally have a low ADS (1 to 4 nights).

The increase in ADS in the period 2019-2021 is due to

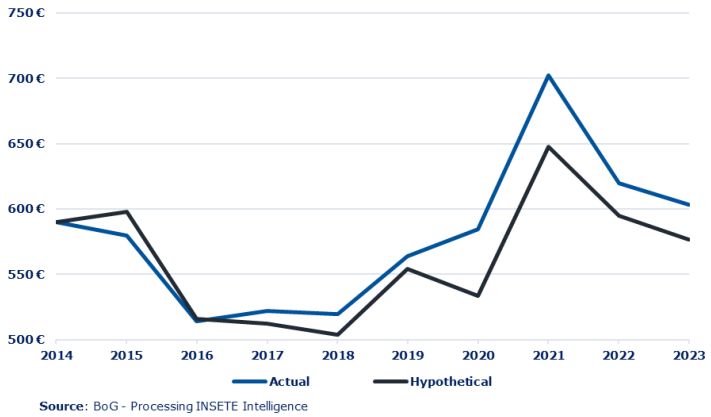
- the reduction of City Break trips globally (Athens had become a major City Break destination before the pandemic) and
- the increased desire for fewer but longer trips, due to the prolonged lockdown and the increase in household savings
- but also to increase the share of our traditional markets which have higher expenditure per capita and length of stay.

On the contrary, the decrease in ADS in the period 2021-2023 is due to

- to the recovery of City Break trips mainly in the Athens destination,
- the inflationary pressures that followed Russia's invasion of Ukraine, which had a negative impact on the household disposable income globally; and
- to the increase in flows from neighboring Balkan markets, although still below pre-pandemic levels, which have traditionally had low Average Duration of Stay.

3.2 Development of Average Expenditure per Journey in Greece, 2014-2023 Actual vs Hypothetical with 2014 market mix[7]

Graph 4: Development of AEJ in Greece (in €), 2014-2023, Actual vs Hypothetical



Source: BoG - Processing INSETE Intelligence

The Hypothetical AEJ, calculated under the working assumption that the inbound tourist market mix remains stable as in 2014, shows a similar picture to the Actual AEJ until 2016 but with relatively milder rates of decline.

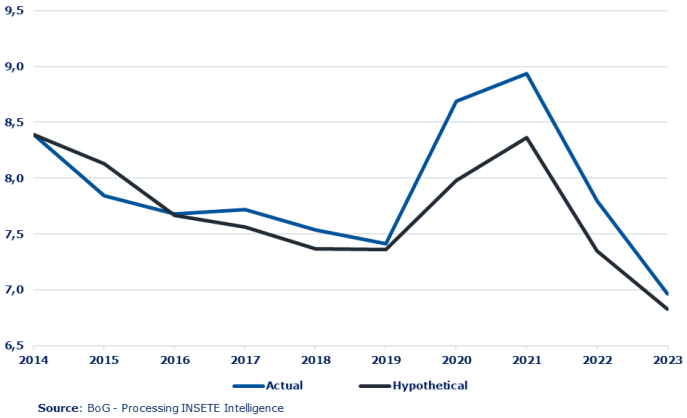
From 2016, and especially from 2019 onwards, the picture is reversed and the Actual AEJ is higher and significantly higher than the Hypothetical AEJ. The increase in Actual AEJ compared to Hypothetical from 2016 onwards is due to the change in market mix that has taken place, with an increase in the share of our traditional markets[8] (arrivals: from 38.3% in 2016 to 43.2% in 2023 and receipts: from 48.3% in 2016 to 51.3% in 2023) which have a higher AEJ and a decrease in our neighboring Balkan markets[9] (arrivals: from 27.1% in 2016 to 22.0% in 2023 and receipts: from 10.4% in 2016 to 7.5% in 2023). This trend was further strengthened in 2020 (Actual: € 584.4 and Hypothetical: € 533.5) and 2021 (Actual: € 702.4 and Hypothetical: € 647.5), due to the pandemic crisis and travel restrictions that prevented the smooth transit of travelers from our neighboring markets, and started to decelerate with the gradual normalization of the situation in 2022 (Actual: € 620.0 and Hypothetical: € 594.8) and the full lifting of travel restrictions globally in 2023 (Actual: € 603.2 and Hypothetical: € 576.6).

Overall, over the period 2014-2023, the Actual AEJ increased by +2.2% (from € 590.2 in 2014 to € 603.2 in 2023) while the Hypothetical AEJ decreased by -2.3% (from € 590.2 in 2014 to € 576.6 in 2023).

[7] Actual: based on Border Survey data. Hypothetical: on the working assumption that the inbound tourist market mix remains stable as in 2014
[8] Germany, United Kingdom. United Kingdom, Italy, France, Netherlands
9 Bulgaria, North Macedonia, Albania, Serbia and Romania

3.3 Development of Average Duration of Stay in Greece, 2014-2023 Actual vs Hypothetical with 2014 market mix[10]

Graph 5: Development of ADS in Greece (in overnight stays), 2014-2023, Actual vs Hypothetical



The Hypothetical ADS, calculated under the working assumption that the inbound tourist market mix remains stable as in 2014, shows a similar development to the actual one until 2016. From 2016, and especially from 2019 onwards, the Actual ADS increases at a faster rate compared to the Hypothetical ADS. Specifically, in the period 2014-2016: Actual (-8.5%, from 8.4 overnight stays in 2014 to 7.7 overnight stays in 2016) and hypothetical (-8.6%, from 8.4 overnight stays in 2014 to 7.7 overnight stays in 2016). The picture was similar for 2016-2023: Actual (-9.3%, from 7.7 overnight stays in 2016 to 7.0 overnight stays in 2023) and Hypothetical (-10.9%, from 7.7 overnight stays in 2016 to 6.8 overnight stays in 2023). The increase in Actual ADS from 2016 onwards is due, as mentioned above, to the change in the market mix, a trend further strengthened in the pandemic years 2020 (Actual: 8.7 overnight stays and Hypothetical: 8.0 overnight stays) and 2021 (Actual: 8.9 overnight stays and Hypothetical: 8.4 overnight stays), while with the normalization of the situation in the travel industry in 2022 (Actual: 7.8 overnight stays and Hypothetical: 7.3 overnight stays) and 2023 (Actual: 7.0 overnight stays and Hypothetical: 6.8 overnight stays), this trend seems to be decreasing.

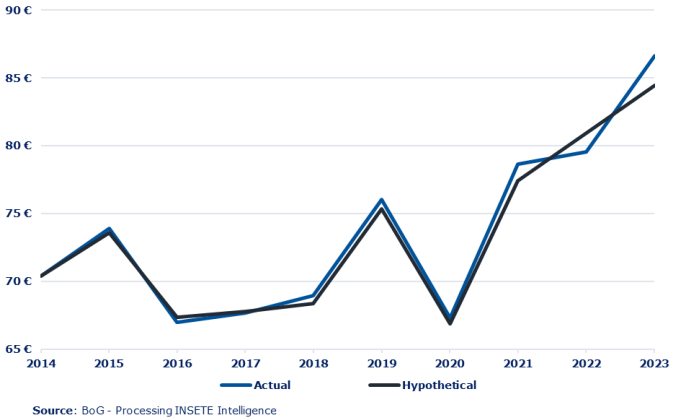
In particular, the trend of increasing Actual ADS in 2020 and 2021 was strengthened due to the pandemic by the increasing share of trips to visit friends & relatives, which traditionally have a high ADS, and the simultaneous collapse of inbound traffic from neighboring Balkan markets and City Break trips, which traditionally have a low ADS. At the same time, the deceleration of the trend in 2022 and 2023 is due on the one hand to an increase in City trips, Athens has become an important City Break destination, and inbound traffic from neighboring Balkan markets, and on the other hand to a decrease in the share of trips to visit friends & relatives.

[10] Actual: based on Border Survey data. Hypothetical: on the working assumption that the inbound tourist market mix remains stable as in 2014

Overall, over the period 2014-2023, the Hypothetical ADS decreased by -18.6% (from 8.4 overnight stays in 2014 to 6.8 overnight stays in 2023) while the Actual ADS decreased by -17.0% (from 8.4 overnight stays in 2014 to 7.0 overnight stays in 2023).

3.4 Development of Average Expenditure per Overnight Stay in Greece, 2014-2023 Actual vs Hypothetical with 2014[11] market mix

Graph 6: Development of AEO in Greece (in €), 2014-2023, Actual vs Hypothetical



The difference between Actual and Hypothetical AEO, calculated under the working assumption that the inbound tourist market mix remains stable as in 2014, is very small over time. That is, the diversification of the market mix did not lead to a significant change in the AEO, in contrast to the ADS (see 3.3). That is, over the period 2014-2019, the Actual AEO showed an increase of +8.1% (from € 70.4 in 2014 to € 76.1 in 2019), while the Hypothetical AEO increased by +7.1% (from € 70.4 in 2014 to € 75.3 in 2019).

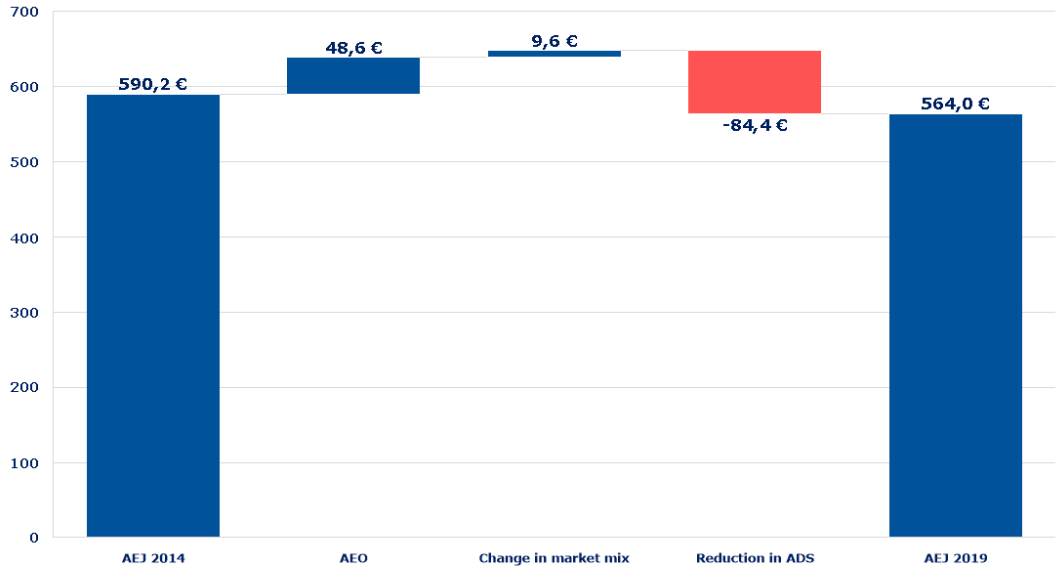
The picture was similar for the period 2019-2023, with the Actual AEO increasing by +13.9% (from € 76.1 in 2019 to € 86.6 in 2023) and the Hypothetical AEO increasing by +12.1% (from € 75.3 in 2019 to € 84.4 in 2023).

Overall, over the period 2014-2023, the Hypothetical AEO increased by +20.0% (from € 70.4 in 2014 to € 84.4 in 2023) while the actual AEO increased by +23.1% (from € 70.4 in 2014 to € 86.6 in 2023).

[11] Actual: based on Border Survey data. Hypothetical: on the working assumption that the inbound tourist market mix remains stable as in 2014

3.5 Analysis of the reduction of AEJ in Greece, 2014-2019

Graph 7: Analysis of the reduction of AEJ in Greece (in €), 2014-2019

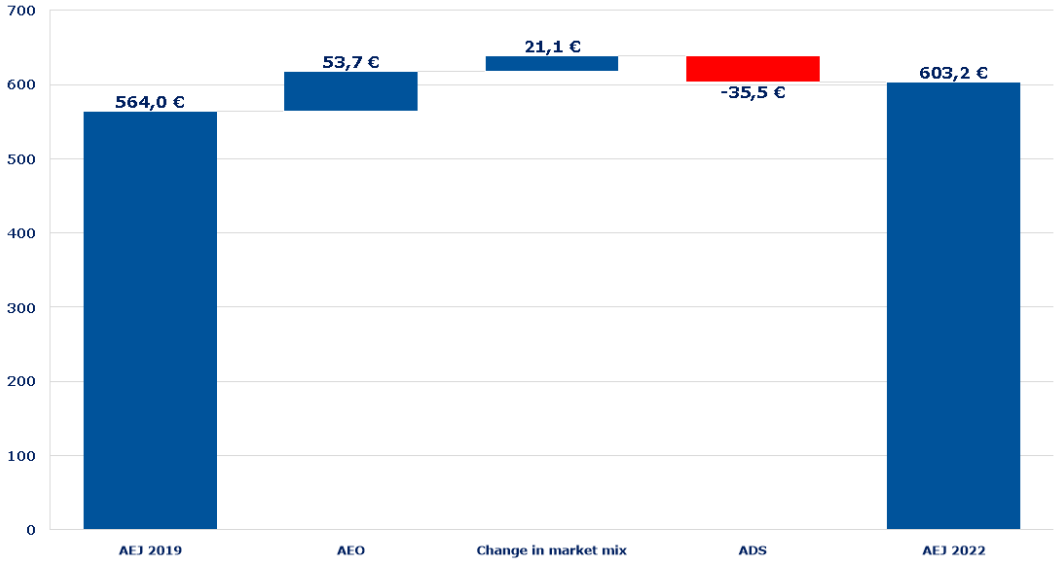


Source: BoG - Processing INSETE Intelligence

In 2019, the AEJ of all travelers visiting Greece amounted to € 564.0. That is, compared to 2014 (€ 590.2), the AEJ decreased by -4.4% or by € -26.3. This decrease occurred despite the increase in the Average Expenditure per Overnight Stay and the increase in the change in the market mix, which alone would have led to an increase in AEJ by € +48.6 and € +9.6 respectively, from the decrease in the Average Duration of Stay of € -84.4.

3.6 Analysis of the increase of AEJ in Greece, 2019-2023

Graph 8: Analysis of the increase of AEJ in Greece (in €), 2019-2023



Source: BoG - Processing INSETE Intelligence

In 2023, the AEJ of all travelers visiting Greece amounted to € 603.2. That is, compared to 2019 (€ 564.0), the AEJ increased by +7.0% or by € +39.2. This increase, despite the decrease in ADS which led to a decrease of € -35.5, is due to:

- the increase of the Expenditure per Overnight Stay by € +53,7 and
- the increase by € +21.1 from the change in the market mix.

4. Sources

- Bank of Greece 2014-2023,
- Development of tourism figures and indicators of the main markets of inbound tourism in Greece 2005-2017,
- Development of tourism figures and indicators of the main markets of inbound tourism in Greece 2016-2018,
- Development of tourism figures and indicators of the main markets of inbound tourism in Greece 2016-2020, (in Greek)
- Development of tourism figures and indicators of the main markets of inbound tourism in Greece 2016-2021, (in Greek)
- Development of tourism figures and indicators of the main markets of inbound tourism in Greece 2019-2022. (in Greek)
- Development of tourism figures and indicators of the main markets of inbound tourism in Greece 2019-2023.

5. Annex

Table *1*: Time series of indicators and figures of the Border Survey, 2014-2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Arrivals (in thous.)	22.033	23.599	24.799	27.194	30.123	31.348	7.374	14.705	27.836	32.735
Overnights (in thous.)	184.789	185.027	190.402	209.855	227.012	232.464	64.053	131.357	216.949	227.938
Receipts (in millions €)	13.005	13.679	12.749	14.202	15.653	17.680	4.310	10.328	17.257	19.746
Average Spend per Person (ASP) (in €)	590,2	579,6	514,1	522,3	519,6	564,0	584,4	702,4	620,0	603,2
Average Spend per Night (ASN) (σε €)	70,4	73,9	67,0	67,7	69,0	76,1	67,3	78,6	79,5	86,6
Length of Stay (LoS) (in days)	8,4	7,8	7,7	7,7	7,5	7,4	8,7	8,9	7,8	7,0

Source: Bank of Greece - Processing INSETE Intelligence

***Cruise data are not included**

This study was carried by INSETE under the act:

«Upgrading, development and operation of the modern and effective tools of INSETE, for information and dissemination of information to businesses and employees in the tourism sector: GREEK TOURISM ANALYTICS DASHBOARD – GTAD», with MIS code 6003242, which is part of the «Competitiveness 2021 – 2027 Programme» and co-funded by the European Social Fund (ESF+).

