

LEADING RUSSIAN TOUR OPERATOR UNDERESTIMATING FOREIGN COMPETITION



Competition of foreign travel businesses is weak in the Russian market. MICE and adventure tourism companies however likely to present challenges for domestic tour operators.

According to Alexander Sinigibsky, the CEO of Russian TEZ Tour, foreign travel companies that have been entering the Russian market cannot threaten the local operators, reported Tourinfo.ru.

“Thanks to our experience and knowledge of the Russian market as well as developed products, I dare say that we are more than ready to compete with foreign companies that offer their products in Russia,” said Sinigibsky at the company's recent conference in Antalya (Turkey).

According to him, **the foreign tour operators don't have any significant advantage over the local companies even in niche markets.** “The Western companies are buying rather smaller Russian operators. It will take time and money for such businesses to gain any share of the market.”

The technological side of the foreign competitors also raises questions: “For example TUI now includes about 100 providers in Russia, and they have no common IT-platform. In some regions their agencies even compete with each other with respect to hotel prices,” said Sinigibsky.

Today, the impact of Western operators in Russia's market is very small. However, as tourism experts warn such underestimation from one of the market's leaders does not quite make sense. As in other developing countries, **foreign businesses go first for niche premium products** - either through acquisitions or directly. Most often these are MICE products or adventure travel segments. Leaving the main stream behind is often only a part of a seriously considered low risk strategy

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