

Tourist Services – Important Driver of Performance in an Economy Having an Increasing Degree of Tertiarization

Roberta - Laura Jianu (Galav)

The Bucharest University of Economic Studies, Bucharest, Romania

robertagalav@yahoo.com

Abstract

Based on the advancement of the globalization process, the dynamics of all economic flows is very high, with the service sector registering ever higher rates. The main analytical objective was to capture the specific characteristics of services. The hypotheses that were tested during this paper were: the process of redefining the fundamentals of competitiveness; the functional mechanisms of the services market; Romania still lags far behind the developed countries in terms of taking on the challenges arising from tertiarization; competitiveness is the catalyst for performance and Romanian decision makers must seek to capitalize on latent competitive strengths, take opportunities and create a business climate that is conducive to performance and efficiency. The factors stressed most on in this paper are those that contribute to increasing the level of competitiveness. The diagnosis of competitiveness at the level of tourism services was made using the most relevant indicators used in this sector.

Key words: tertiary sector, competitive advantage, economic performance, tourism, intangible assets, specialization.

J.E.L. classification: O11, O25, O38

1. Introduction

The analyses included in this paper start from the most important competitive advantages that Romania has in its capacity as a tourist destination. In this paper, a multi-parameter analysis was performed at the level of the tourism services subsector in Romania, insisting on the factors that contribute to increasing the level of competitiveness.

The main hypotheses that were tested during this paper were: the accentuation of the process of "tertiarization" of the modern economy obliges all economic actors to redefine the fundamentals of competitiveness at sectoral level and to fundamentally change the behavior; the functional mechanisms of the services market are increasingly different from those of other segments of the international market, which has its mark on the nature, dynamics and purpose of transactions; despite the progress made in recent years, Romania still lags far behind the economies developed in terms of taking on the challenges arising from tertiarization; currently, competitiveness is the catalyst for performance and decision makers in our country must seek to identify and capitalize on latent competitive strengths, take opportunities and create a business climate that is conducive to performance and efficiency; services must be studied taking into account all the characteristics of intangible assets.

The diagnosis of competitiveness at the level of tourism services was made using the most relevant indicators used in the tourism sector, namely the number of arrivals of Romanian and foreign tourists and the number of overnight stays in accommodation units in different tourist areas of Romania. The analysis continued with the radiography of the strengths, vulnerabilities, opportunities and threats identifiable on the example of tourism in Romania, highlighting especially the competitive advantages of our country and the opportunities that lie ahead of operators in this sector.

The aim of this paper is to highlight the specific role of tourism as an important catalyst for the prosperity of the Romanian economy, in the context of tertiarization, this sector being an essential component of the Romanian economy and social life. It started from the idea that the tourism sector is one of the most important job generators.

The main analytical objective was to provide sustainable arguments in favor of the idea that, despite the health crisis, but also the twin one with it, the economic, tourism has solid potential to contribute to the economic development of our country and to increasing the level of competitiveness in relation to the other Member States of the European Union. The results of the performed analysis, provided me with sufficient arguments to support the conclusion that a well-developed tourism services sector can contribute to a significant increase in employment and can participate in increasing the country's income. In other words, this sector can be considered, argued, to be one of the main drivers of the process of sustainable growth in the Romanian economy. The main analytical hypothesis was that tourism should be seen as a complex, constantly evolving system.

2. Theoretical background

The role of tourism in the gear of the modern economy has been in the attention of many analysts.

As pointed out by a renowned expert in the field (Mandelson, P. 2006) „*competitiveness of the European economy now relies largely on services*„. Some Romanian authors (Bobircă, A., Miclăuș, P.G. 1988) highlighted a little longer ago that „*international competitiveness is secured when production is in line with a country's comparative advantage situation. If countries perform well internationally and compete successfully for export markets, this could be a sign of their sound international competitiveness*”. Based on the analysis of some of the most relevant macroeconomic correlations and trying to capture some statistically robust causal relationships, one of the authors (Cioban, G.L. 2014) stressed that „*services are more and more seen as a factor of progress, of stimulating the economic growth, an engine of the social development*„. Other analysts (Ioncică, M., Drăghici, M., Petrescu, C., Ioncică, D. 2010) researched the correlations that can be identified between the competitive advantages of a certain subsector of the economy, the inter- and intrasectoral specialization schemes developed and the increase in competitiveness resulting from the correct and proactive management of these correlations. It has become increasingly obvious, both theoretically and empirically, having a very efficient services sector could become a very important driver of the economic development, leading towards an increase of the people's weight that works in the services sector. Based on the analysis of some of the most relevant macroeconomic correlations and trying to capture some statistically robust causal relationships, one of the authors (Pluta-Olearnik, M. 2011), addressed the specific aspects of the process of internationalization of services, focusing its analysis on the regulatory and institutional operational framework at the level of the European Union, pointing out that „*Service sector in EU is not only the biggest sector of union economies accounting for nearly 70% of GDP and employment in EU, but it is also the main driving force of growth in the economy and creating new jobs*„.

A very interesting analysis of the effects that the accession of the states of Central and Eastern Europe to the European Union would have on their economies was made by a group of analysts (Szalavetz, A. 2003), many of the conclusions they reached were validated in the years that followed, although some analytical hypotheses were not confirmed as expected. Analyzing the competitive advantages of the tertiary sector of the Romanian economy, with special inclination towards tourism, I agree with the existing points of view in the literature that claim that their development is vital, both in Romania and internationally. I base this belief on the existence of very special features of this sector. The research conducted allowed me to think that there are strong arguments to consider that tourism resources are practically inexhaustible and moreover the tourism sector is one of the economic sectors with real long-term development prospects. The intelligent capitalization of the tourist resources, complemented by the efficient promotion on the foreign markets of the specific offer can contribute significantly to the improvement of the external economic balances of the country, this sector constantly generating an active balance at the level of the trade balance. The labor market in the tourism sector is a secure market that can constantly

generate new, most valuable and better paid jobs. Tourism is the main vector of the process of promoting Romania's image abroad, and can become a dynamic component of the country's total exports of goods and services. At the same time, a growing demand for goods and services can contribute to increasing production with solid training effects in terms of diversifying the structure of national economic sectors. In the context of the idea of adapting to market requirements as well as to international standards, the modernization and continuous promotion of Romanian tourism becomes vital.

3. Research methodology

The main purpose of this paper is to study the most revealed aspects related to the contribution of the tourism sector to the development of the Romanian economy, highlighting the most important factors that influence the expected performances at its level, given that in Romania the trend of tertiarization of the economy becomes obvious. In this respect, a few analytical and methodological hypotheses were tested having in mind the main trends which have emerged at European and international level. In this paper a SWOT analysis emphasizing the aspects that can ensure the maximum level of synergy between internal and external factors was carried out, between the competitive advantages of the Romanian economy and the systemic vulnerabilities that remain, between the opportunities that can be exploited and increasingly present and acute threats.

4. Findings

4.1. Some factors influencing the competitive advantages

Romania's success in terms of tourist services is determined primarily by the extra satisfaction that can be offered to tourists through the offer provided and especially by the way it can guarantee them a personal experience, at least equal to or superior to those they can obtain by accessing the tourist offers of the foreign competitors of the Romanian companies. This desideratum can be vulnerable if no efforts are made in other sectors of the Romanian economy and society because a value added touristic activity requires a modern infrastructure and a very high level of professional qualification of the personnel in this field. Moreover, the success is determined by attracting as many tourists as possible and by satisfying their needs, offering products and services of an ever higher quality. In the context of advancing the globalization process, it becomes very pressing in Romania to proceed to some paradigm shifts in order to increase the level of competitiveness of tourism. From this perspective, the following are the main factors that have a significant influence on the tourism services sector:

a) Economic factors. We started from the hypothesis according to which this category of determinants has the greatest influence on the analyzed phenomenon. The tourism services sector can become the main way to speed up the economic recovery, provided that tourism resources are properly capitalized. The rates at which customers can access the tourist offer and its quality are elements that contribute to the level of competitiveness increase obtainable in the tourism sector. Tariffs in the tourism sector in Romania are perceived as low, which may represent on the one hand an advantage as well as a disadvantage in terms of the development of the tourism sector. In other words, low tariffs do not seem to be a very advantageous strategy for Romania at the moment. In the analysis of competitiveness, we have taken into account the two indicators (the share of GDP and employment). Based on the statistical data analyzed, we noticed that the hotel services sector (implicitly the tourism sector) did not have a very high rate of labor absorption compared to other subsectors much better placed from this point of view.

b) Factors of an institutional nature. The existing political and institutional framework can be a booster or a barrier to choosing a tourist destination. In general, people are very sensitive when it comes to the existing safety and security framework in a country. Being a member of the European Union for over 12 years, Romania has certain advantages that can be better exploited. Although several sources of uncertainty persisted in Romania (especially regarding the stability and predictability of the legal or fiscal framework), the fact that there was a firm alignment of the legal and institutional landscape with the European one and with the international economic conduct,

became a promising element for increasing the volume of transactions with such services. Thus, Romanian tourism offers multiple conditions for tourists and does not involve major security risks.

c) Technological factors. Technical progress has important consequences on the industrialization, urbanization and quality of tourist services. An important role in the analysis of the competitiveness of the tourism sector in Romania is played by the level of development and the quality of the infrastructure and info structure. Air transport infrastructure is very important because it facilitates access to most tourist destinations. This factor can be assessed both quantitatively - the frequency and duration of flights to certain tourist destinations, the number of airports operating for international traffic, the number of air carriers - and qualitatively, the quality of airport services or the degree of connectivity between domestic and international races. The very short length of motorways is a major impediment with unfavorable implications for time spent on the road to the destination. Currently, Romania can become an important tourist destination but in order to obtain this result it is necessary to eliminate the dysfunctions that prevent it from obtaining a competitive position on the international tourism market. Also, the accommodation infrastructure (the number of rooms available in the accommodation units), as well as the disadvantages related to the existence of rent-a-car companies contribute to the vulnerability of the tourist infrastructure. Given the growing importance of the online environment for a modern tourism industry, in itinerary planning and travel and accommodation, the incorporation of the quality of ICT infrastructure becomes vital in the structure of the competitiveness index of the tourism sector. In this case, information technology and communications technology (telephone lines, internet) become important elements of assessing the level of performance

d) Social factors. At the social level, tourism acts as an active means of educating and increasing the level of civilization of citizens, having a particularly important role in the process of exercising public freedoms. The demographic dimension is an essential vector for stimulating tourism activity as the person or community has the most important role in the development of tourism. The average life expectancy is constantly improving, the estimates for the following years being around 80 years in 2050. And free time has become a representative pillar due to the fact that the highest degree of employment in the tourism services sector is recorded, on weekends, school holidays or holidays. Last but not least, analysts recommend reflecting very carefully on the evolution of the urbanization phenomenon. All research conducted on this topic revealed the existence of a direct and robust correlation between the level of urbanization and the development of the tourism sector based on the fact that the agglomeration in urban areas emphasizes the need to use tourist services.

4.2. SWOT analysis of the Romanian tourism sector

Strengths. From the point of view of the tourist potential, Romania has a very great diversity of the tourist offer, a fact widely recognized at international level. From this perspective, the Romanian tourist offer can offer a wide range of types of tourism, namely: stay tourism (mountain tourism, seaside tourism and spa tourism); tourism for hunting and fishing, tourism for professional purposes, cultural tourism. The most important competitive advantage of Romania is represented by the geographical location of the country so as to give in the landscape structure the most important elements, namely the Carpathian Mountains, the Black Sea and the Danube River. Each of the three forms of the natural environment can attract a certain number of potential tourists depending on the gravitational vectors they have, the interest among tourists and the number of spaces available for accommodation. The strong point of the Romanian tourism is represented mainly by the Carpathian chain, this geographical area being considered one with the most diverse components of the tourist potential. Mountain tourism offers the most interesting experiences and allows a wide range of activities, regardless of the season. The altitudinal arrangement and the physiognomy of the relief completed by the meteorological conditions represent favorable factors for winter sports due to the fact that the ski area is not very exposed to avalanches and the very strong blizzard is not part of the climate picture of our country.

Due to its geographical location in the vicinity of the Black Sea, Romania benefits from a wide variation of thermal values, with the mildest temperatures on the coast. Natural factors influence the Romanian coast, the marine bio climate being characterized by thermal stability. The cultural pillar includes the assessment of cultural heritage, the quantification of the attractiveness of the

environment and the estimation of health risks. Romania is characterized primarily by uniqueness and originality, features that characterize it and have an advantage over neighboring countries. The cultural heritage of our country consists of very old churches and monasteries (wooden churches in Maramureș, rock churches), architectural ensembles, historical monuments. Romania's folk treasure is of great originality, being supported by ancient traditions and customs preserved with great interest today. Another strength of the Romanian tourism sector is represented by human resources, Romanians being perceived as welcoming and hospitable. It is important to emphasize that Romania has a young workforce, with good language skills, being very helpful in promoting tourism services nationally and internationally.

Weaknesses. The analysis showed me that Romania has big ecological problems meant to be an important vulnerability of the development process of the tourism sector. Pollution has reached worrying levels and the concerns of central and local authorities in this direction are quite modest. Low investments for the creation of a high-performance waste collection and sorting system have led to environmental degradation and especially to an unfavorable image in the eyes of tourists. Most spa treatment facilities do not adapt to European health requirements, with a degree of wear and tear that has unfortunately persisted for many years. Despite the fact that the Black Sea should be an advantage for Romanian tourism, it becomes rather a weak point due to the lack of interest given to the beaches full of waste. Things are no different from the point of view of infrastructure. Another disadvantage is the limited access to accommodation and tourist areas for people with disabilities. The continuing vocational training programs managed by the Romanian hotel sector do not fully cover the needs and requirements of consumers.

Another problem is represented by the fact that the education system has not internalized from a curricular point of view the issue of citizens' care for standard ecological environments. The very low level of remuneration in this sector has impelled the migration of labor force to other sectors of the Romanian economy or to other states. In Romania it cannot be said that concerted and efficient efforts have been made to promote the image of our tourism internationally. Marketing activities are still in an embryonic stage, market research being also insufficient. The collaboration between the public and private sectors on marketing issues is imperceptible. The promotion must be strong and concerted to provide evidence that distinguishes us from the countries in the region, it must present a unique element of attraction to stimulate as many foreign tourists as possible to visit Romania. Romania must find a unique element of attraction around which other national tourist offers should be engraved.

Opportunities. In order to take full advantage of the opportunities offered by Romanian tourism, it is very important to take into account the preferences, attitudes and behavior of tourists. Over time, the behavior of consumers of tourism services has become increasingly bipolar, because on the one hand, they prefer both the most favorable offers (low-cost tourism) and all-inclusive offers, one aimed at a segment of consumers with complex behavior. For consumption. The preferences of tourists are increasingly directed towards cultural, spa, adventure, agritourist and ecotourism. The first step in order to increase the tourism competitiveness index is represented by the need to rehabilitate the tourist objectives that outline the cultural-historical heritage and that illustrate elements of Romania's overall image. This aspect reveals a great opportunity for development in terms of increasing the number of tourists who are motivated by cultural tourism. Some of the recent studies signal that rural tourism is developing at an ever-faster pace, which may also contribute to the blurring of weaknesses represented by pollution in Romania. And this time, the poor development of infrastructure in rural areas is a major problem due to the fact that the unfavorable image of roads is much more obvious than the natural environment and tourist potential in those areas. of the potential held in order to become one of the most important branches of the economy.

Threats. The threats that appear at the level of Romanian tourism are mainly represented by the image that is preserved, in some places, unfavorable of Romania at international level. Fierce competition at the destination level is also a major impediment, caused by the fact that other tourist destinations offer prices similar to those in Romania but for superior conditions. The stagnation of the infrastructure development process is still a major risk that translates into substantial losses in terms of income. The urbanization process that has spread to rural areas has led to the loss of local specificity and the degradation of rural cultural heritage. Romania urgently needs measures to be

able to prevent the labor migration that is intensifying more and more often. Last but not least, it is necessary to awaken the awareness of Romanians about the need to implement a quality management system in the tourism sector in our country.

5. Conclusions

The services sector, in general, and the tourism services sector, in particular, are one of the most dynamic sectors, being seen as the engine of economic development.

The expected level of competitiveness for the Romanian economy depends fundamentally on the increase of economic profitability, of the responsibility of the economic actors towards the social dimension and of the ecological resilience. All this is closely linked to improving the quality of life.

In recent years, the tertiary sector has become the largest generator of jobs both internationally and in Romania. From the point of view of tourism services, Romania has a great potential for development, especially due to the impressive cultural heritage it has.

It is expected that the services sector will develop steadily, and tourism will become the most important source of income. In order to increase the level of competitiveness, it is necessary the massive investment at the level of the labor force from the point of view of the training in the field and especially at the increase of the quality of the services offered by the tourist market.

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