

Romanian Tourism Destinations – A Diagnostic Analysis

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Abstract

A growing number of destinations around the world have opened up to tourists, and invested in tourism, making it a key factor in socio-economic development. With a good geostrategic position and a developing economy, supported by EU membership, with valuable natural and cultural resources, Romania can be a competitive regional and international tourism destination. This research offers a comprehensive analysis and an overview of the key challenges faced by Romanian tourism destinations. The paper presents an in-depth SWOT analysis based on direct research (interviews and surveys) and indirect research (desk research of secondary source.)

Key words: tourism, destinations, SWOT analysis

J.E.L. classification: Z32

1. Introduction

Tourism is considered an engine of economic growth and one of the most important service industries in many countries. Moreover, globalization, its tendencies associated with the integration of services and the concentration of capital, has put pressure on tourist destinations to better position their tourist offerings in an extremely competitive market.

With a population of 19 million inhabitants, a good geostrategic position, and a developing market economy, supported by the EU membership status, Romanian tourism can transform the country into a strong regional destination in the medium term and a truly international destination in the long term. Of course, all this will be possible only if Romania creates efficient coordination and management of the industry if it builds its capacity of responsible tourism management at local/regional primary levels and removes the other barriers from the general tourism business environment of the country.

Tourism is a people-based industry, with human capital at its centre, bringing authenticity, values, quality, innovation and competitiveness. In general, tourism businesses need support, the host population needs to ensure that visitors will not adversely affect their quality of life and visitors expect a quality experience. All national, regional and local government institutions need to be aware of all these challenges and create public-private partnerships to develop the most effective strategies. And responsible and sustainable destination management should involve a process that effectively and harmoniously addresses the interactions between visitors, the industry that serves them, the community that hosts them and the environment in a broad sense (natural and cultural resources).

The purpose of this paper is to provide an overview of the current state of Romanian tourist destinations and the identification of emerging opportunities, but also current and future challenges.

2. Theoretical background

As most tourist activities take place in destinations, they are the most important element of the tourism system and make up the essential unit of tourism research (Buhalis, 2000; Pike 2004; Wang & Pizam, 2011). David Bierman (2003) defines the destination as a country, region, or city that is marketed as a place to visit for tourists. And Cooper et al. (1998) consider it the center of facilities and services designed to meet the needs of tourists. In general, destinations are an amalgam of direct and indirect tourist facilities (eg accommodation, catering, public and private transport and roads, visitor information, recreational facilities, etc.) and a wide range of natural and cultural tourist attractions (e.g. eg landscape, monuments, atmosphere) offered to a tourist during a stay in a chosen place (Hall, 2008). However, for economics, a tourist destination is more than a distinctive geographical area (Bieger, Beritelli & Laesser, 2009; Bornhorst, Ritchie, & Sheehan, 2010). Often, tourists perceive a destination as a whole, so this area is often considered not only a "tourist place", but a "tourist product". Therefore, a tourism destination can be defined as a collection of experiences gained by travelers and should be perceived as a system of goods and services that suppliers are ready to deliver and tourists are willing to consume (Keller, 2000).

According to the World Tourism Organization, by tourism destination is meant „a physical space with or without administrative and/or analytical boundaries in which a visitor can spend an overnight. It is the cluster (co-location) of products and services, and of activities and experiences along the tourism value chain and a basic unit of analysis of tourism. A destination incorporates various stakeholders and can network to form larger destinations. It is also intangible with its image and identity which may influence its market competitiveness.(UNWTO, 2019)

As a product, the tourism destination is a mixture of tangible and intangible assets. Tangible assets are represented by local infrastructures, such as hotels, tangible cultural heritage, natural landscapes, etc., and intangible assets are considered services and situations such as safety, stability and security, friendship, political situation, the atmosphere of a destination. Intangible assets have been shown to be more dependent on customer behavior and are one of the key factors that make a destination profitable (Swarbrooke and Horner, 2001). In other words, the tourism destination is the central point of the tourism activity. Therefore, a destination can be seen as a combination of all the goods, services, and experiences provided to tourists. But the destinations are not infinite, neither individual nor collective. Not every place can be a destination capable of attracting tourists and destinations themselves cannot absorb an unlimited number of tourists.

Tourism destinations have a number of basic elements that attract the visitor and satisfy their needs on arrival. These basic elements can be broken down into attractions (“must-see” or “must be done”) and the other remaining elements (Cho, 2000). They can be classified into attractions, facilities, accessibility, image, price, and human resources. The supply and quality of these elements will influence the visitor's decision to choose the destination.

3. Research methodology

In order to diagnose Romanian tourist destinations, both secondary and direct research were conducted. The secondary research consisted of the review of the specialized literature, the analysis of the reports on the tourism evolution, and the statistical documents. The direct research was carried out by E. M. Iștoc. The research consisted of semi-open interviews with representatives of the Romanian tourism industry and of conducting surveys using the questioning technique. The surveys were conducted between 04.2020 - 03.2021. The survey involved several questionnaires (one type for each group of stakeholders: tourists, resident population, enterprises/institutions related to the tourism sector and travel agencies). Based on this research, we performed a SWOT analysis.

4. Findings

Romania is a Carpatho-Danubian-Pontic country with tourist resources of great complexity and certain value. Romanian tourist resources are distinguished by the variety and complexity of the relief, the richness of surface or groundwater, the continental climate of transition, rich and varied vegetation and fauna, to which are added the traces of great value left by the inhabitants of this land throughout its history and the talent of contemporaries, who participate in the enrichment of the national and universal cultural heritage. The enhancement of tourist resources creates, in fact, the tourist attractiveness of the destination and depends directly on the technical-material base and the quality of services without which no tourist resource, no matter how valuable, can be capitalized.

Regarding the technical-material base, the most important component is the network of accommodation units. According to the data of the Romanian National Institute of Statistics, in the last 10 years, the number of accommodation units has increased from year to year, less in last 2 years when it experienced a slight decrease. From the point of view of tourist destinations, excluding the category "other localities and tourist routes", 28% are concentrated in the mountains, 18% in large cities, 10% in the coastal area, 7% in spas and 3% in the Danube Delta. From the point of view of the distribution of the tourist accommodation structures by counties, their number had a sinuous evolution adapting to the tourist demand. Spectacular increases in the number of accommodation units were registered in counties such as Bacău (356%), Bistrița-Năsăud (280%) and Călărași (275%). In terms of accommodation capacity, it has followed the upward trend in the number of accommodation units, but not at the same pace. The differences are due on the one hand to the adaptation to the evolution of tourist demand, and on the other hand to the fact that the new structures built are, for the most part, tourist boarding houses or other accommodation units with smaller capacity. (according to the calculations made by the authors based on the statistical data provided by NIS at the level of 2019).

Another component of the technical-material base of tourism is represented by the public catering units. It should be mentioned that they address both tourists and residents. We do not have statistical data about the catering units at the national level, but the number of companies active in the hotel-restaurant field has experienced a continuous increase according to data provided by Romanian National Institute of Statistics.

Regarding the general infrastructure (access roads, water, natural gas and electricity distribution, sewerage, telecommunications, etc.), the situation is not good. Although Romania has all types of access (road, rail, sea and air) relatively satisfactory in terms of quantity, from a qualitative point of view the situation is inadequate. In general, the infrastructure in Romania hinders the development of tourism. Also, some areas, especially in rural areas and smaller urban centres, lack a number of facilities not specific to tourism, but necessary for tourists, others are inadequate in quantity and/or quality (eg lack of pharmacies or first aid points), lack of toilets or their unusable condition). We must specify that for the tourist is important the tourist product as a whole (with accommodation, food, leisure units, access roads, infrastructure in general - specific or non-specific, how to provide services, not least the quality of these elements correlated with their price etc.).

The labour force is the one that transforms the tourist offer from potential into actual. Tourism is a labour-intensive sector, and much of a tourist's experience in a destination depends on interactions with those working in the tourism industry. In addition, tourism is one of the areas facing a strong labour migration, so only 10% of hotel employees can be kept for more than 1-2 years. One of the reasons may be that the staff employed in the hotel and restaurant sector in the hospitality industry is among the lowest-paid nationally (according to NIS), but there are also problems in the training and education of staff for the tourism industry. Personnel currently employed in the industry often lack the skills and training needed to operate at international standards. This can be seen, in particular, in the way they interact with customers, although there are also oases of progress. The problem is, however, that Romanian institutions with staff training functions offer mainly theoretical knowledge, and graduates generally lack the practical skills required by employers and industry.

In 2019, the employed population in the field of hotels-restaurants represents 2.63% of the total employed population. As a sector of activity, HoReCa is considered a "last solution" in terms of career choice, due to the low salary level. This fact determines, as we mentioned above, the low

quality of services provided. Or, the quality of the tourist product is influenced to the highest degree by the level of education and professional training of the staff involved in tourism, which, in turn, determines the level of quality of direct services. For tourism, human resources are vital in terms of services. It should be noted that the training of the workforce and the education system for tourism also need a strategic approach, in the medium and long term. Correlating training programs with market needs, both quantitatively and qualitatively (as occupations and skills), is a necessity. At present, the education system suffers from imbalances from these points of view. As a total contribution, tourism supported about 6% of jobs, which in 2019 accounted for 537.7 thousand jobs. (WTTC, 2021)

In order to complete the diagnostic analysis of Romanian destinations and to identify the key challenges they face, office research was complemented by direct research among all stakeholders: private sector, public sector, NGOs, citizens and consumers. The direct research was conducted in the form of surveys and semi-structured interviews with representatives of the Romanian tourism industry. Interviews proved useful for collecting more nuanced data. 43 people attended to interviews: 21 representing the hospitality industry, 11 travel agencies, 4 cultural institutions, 3 marketing and PR companies, 2 education and training organizations, a representative of a DMO and a developer of projects in the field of tourism.

The surveys consisted of questionnaires to which they answered: 750 tourists, 810 Romanian residents, 26 travel agencies and 98 companies in the tourism sector (most accommodation units) in Bucharest and counties: Constanța, Brașov, Prahova, Sibiu, Galați, Timiș, Maramureș, Hunedoara and Suceava.

Based on the data and information obtained, a SWOT analysis was performed to evaluate the Romanian tourist destinations and to identify the main development requirements in terms of their management. (see table below)

Table no 1 SWOT analysis of Romanian tourism destinations

| STRENGTHS | WEAKNESSES |
|---|---|
| <ul style="list-style-type: none"> ▪ excellent natural resources; ▪ the diversity of relief forms; ▪ valuable tangible and intangible cultural heritage; ▪ originality; ▪ benefits for the local community; ▪ hospitality | <ul style="list-style-type: none"> ▪ lack of destination marks; ▪ lack of marketing strategies; ▪ lack of community engagement with tourism ▪ many destinations are relatively inaccessible; ▪ unsatisfactory infrastructure, both specific and general; ▪ poor planning decisions; ▪ lack of investments related to seasonality; ▪ lack of staff; ▪ poor professional training of staff; ▪ weak market intelligence; ▪ inability to attract international tourists; ▪ poor image of destinations; ▪ the weak involvement of host communities in the development of tourism; ▪ low value for the consumer; ▪ low product diversification; ▪ very low accessibility for visitors with reduced mobility; ▪ lack of promotion; ▪ lack of interest in environmental protection or sustainability certifications; ▪ lack of health safety certifications; ▪ non-use of local products in favour of imported ones; ▪ lack of involvement in climate change mitigation plans (reduction of CO2 emissions, reduced energy consumption, etc.); ▪ the tariffs do not correspond to the quality of the services offered; ▪ visitor management |

| OPPORTUNITIES | THREATS |
|--|---|
| <ul style="list-style-type: none"> ▪ opportunities for the development of niche tourism forms; ▪ expanding into new market segments; ▪ creation and development of new products; ▪ access to finance (EU funds); ▪ the desire of tourists to visit sustainable destinations; ▪ growing demand; ▪ residents consider tourism to be good for local development ▪ improve service quality and price competitiveness | <ul style="list-style-type: none"> ▪ the effects of the COVID-19 pandemic; ▪ lack of continuity in public policy; ▪ lack of investment; ▪ competition; ▪ legislation: lack of a clear legislative framework, unexpected legislative change; ▪ lack of a national strategy on tourism development; ▪ loss of cultural authenticity; ▪ destruction of cultural heritage; ▪ the disinterest of travel agencies in marketing sustainable destinations; ▪ depopulation and migration |

Source: authors

The SWOT analysis highlights some important issues regarding Romanian tourism destinations that should be taken into account for tourism development strategies and managing destinations:

- The Romanian tourism asset base is strong. This asset base is comprised of the natural heritage and cultural heritage. This strong asset base of Romania offers a competitive advantage and a base on which to build. The challenge is how to use and present these assets to tourists, without damage to the main asset itself may occur.
- Infrastructure deficits, in particular transport infrastructure and the national road and rail network. Accessibility is very important for destinations. Tourists should be made easier to access a variety of international transport hubs, including air, rail and seaports, which should then be supported by an efficient domestic transport system.
- Lack of employees and unqualified employees. Almost all respondents representing the tourism industry mentioned the gaps and skills shortages of the tourism workforce and the increasing levels of difficulty in finding and hiring staff and retaining them. This is a particularly serious problem in the tourism industry, where the experience of visitors is mediated directly by the tourism staff and by the professionalism and enthusiasm they bring to their work. Basically, the staff is an integral part of the tourist product.
- Uncompetitive quality of experiences and services at the destination level. The causes are multiple, among the most important being the development and poor management of tourist attractions and attractions, including the inadequate level of marketing and conservation.
- Competitiveness. Tourist destinations are more and more numerous, many of them similar in terms of resources and without proper management and proper market positioning it is impossible for any destination to face fierce competition. The lack of proper marketing makes the Romanian industry significantly dependent on the domestic market.
- The need to differentiate and diversify tourist products in order to allow Romanian destinations to remain in the long term on existing markets and to enter new ones. Product development strategies are needed, which in turn require investment and financing.
- The development of tourism in Romania will require investments both in the tourism product itself, as well as investments in the general infrastructure. This requires access to diversified sources of funding.
- Implementing the holistic concept of sustainable tourism development in destinations is a difficult task. Finding the right balance between the interest of stakeholders with the environmental vision of a destination and meeting the requirements and expectations requires long-term marketing planning and ongoing dialogue between different stakeholders.
- The effects of the COVID Pandemic - 19. The deeper the crisis, the more businesses and jobs will be lost, the greater the implications for passenger behaviour and the more difficult it will be to recover tourist destinations. This brings challenges for the sector, but also opportunities to encourage innovation, stimulate new marketing strategies, explore new markets and launch new destinations.

Although there was no statistically representative sample, it is important to note that these results were produced by an independent group of individual respondents and provide a clear picture of destination management issues and issues that need further attention in the context of further tourist development in Romania.

5. Conclusions

Destinations are some of the most difficult entities to manage and market, due to the complexity of stakeholder relations and the variety of those involved in the development of the tourism product. Factors such as attractions, accessibility, facilities, activities and the like are important for destinations that want to increase their tourism share. A tourist destination consists of physical (tangible) and psychological (intangible) elements. Both elements carry various factors that can affect the image of a destination. It is also difficult to control and manage these items as their numbers increase. At the same time, the destinations are essentially made up of regions, resources and amalgams of tourist facilities and services, which often do not belong to individuals. Instead, they represent a collection of both professional and personal interests of all the people who live and work in the area. In addition, the inhabitants of the destinations are often in the same type of resources and beneficiaries of tourism. Managing the often conflicting interests of stakeholders makes it extremely difficult to control and market destinations as a whole. Therefore, strategies and actions should take into account the wishes of all stakeholders, namely the host population, businesses and investors, tourists, tour operators and interest groups.

Romania urgently needs the professionalization of the management of tourist destinations in order to become competitive in relation to other destinations in the world. Romania faces the challenge of first and foremost establishing new experiences and products for global tourism markets and making better use of the diversity of well-differentiated tourism assets it can use to attract future customers.

New approaches need to be introduced, both by the public and private sectors, to meet global challenges.

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