

The economic and communication implications of tourism in Romania

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Abstract. *The tourism in Romania is based on diversity of relief forms, on the natural landscape, on the specific customs and on history and rich tradition, having also an important contribution to the economy. Tourism is considered one of Romania's economic sectors characterized by dynamism. So it is that the statistical data records data upon which we can support that tourism in Romania is, despite weaknesses, developing and with a high potential for expansion. In the present paper we propose a comprehensive analysis of tourism, based on statistical data obtained from specialized institutions, at the same time aiming to capture its impact on the economic level.*

Keywords: tourism; economic implications; communication implications.

JEL Classification: A1, F6, L83, M3.

REL Classification: 4C.

Introduction

It is known that Romania has the chance to enjoy varitate forms of relief, a great historical and cultural heritage, the existence of natural monuments, unique nature, some being placed in UNESCO heritage. In this context, Romania has the opportunity to develop many forms of tourism. Of course we can not overlook the negative aspects, but there are many positive aspects that can be scored. Thus, we can state that the Romanian tourism is an economic sector that is not yet sufficiently exploited but can become a source of attraction for tourists and investors, because it has all the necessary premises for sustainable tourism development.

The analysis of strengths and weaknesses in terms of economic and communication perspective

Tourism activity, through its economic effects it produces (after commerce, tourism is the second important branch of the service sector), is considered to be one of the most dynamic and perspective areas of development. According to estimates World Travel and Tourism Council, Romania ranks fourth among the countries in which the tourism has grown rapidly, with annual increase tourism potential of 8% from 2007 to 2016. Income registered, creating new jobs, foreign investments are just some of the economic effects caused by the tourism activity. From this derives the importance that should be given to this sector.

We intend to continue to carry out an analysis of this activity from the perspective of two ways: *the economic terms and in terms of communication*.

From an *economic perspective*, the Romanian tourism has some positive aspects worthy of note:

- The variety and complexity of landforms have a high potential for capitalization planning, economic development and tourism;
- The last decade has brought to Romania the consecration of agro tourism, some of the most significant being in the Centre region;
- High degree of urbanization – the highest level is registered in the Bucharest-Ilfov area, West area and Center, according to data provided by the Ministry of Economy, Trade and Business Environment;
- Important tourist flow. In 2010 Romania has attracted 1.34 million foreign tourists, up from 2009 and the expenses incurred by them were made both for business and private purposes, according to money.ro. Foreign tourists spent 886 million Euros, an increase of nearly 20%, according to the National Institute of Statistics. Those who spent the most money were German tourists, with a contribution of over 113 million. In second place among foreigners spending stands the Italian tourists who have spent a little over 95 million,

third place is occupied by French tourists, who spent 83.1 million Euros, while British tourists spent 65 million, according adevarul.ro;

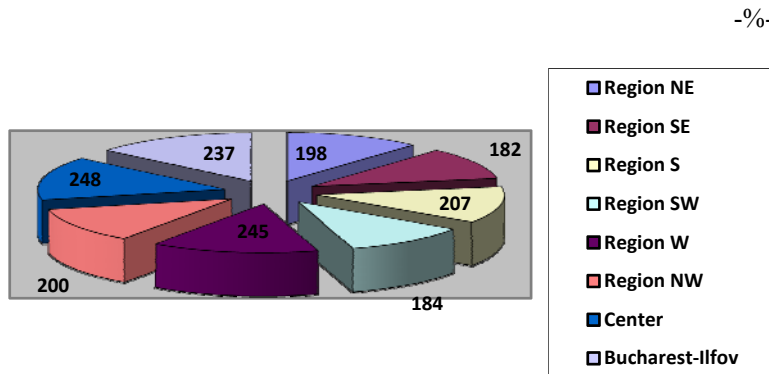
- Investment in services, so we mention the possibility to practice different winter sports, due to modernization and investment in places where they are (ski slope, technical stuff). One of the most recent investments is in Bușteni: investment in ski lift produced in Italy, in snow cannons, the asphaltting of the piste to the DN1 and the connection to gas, sewage and drinking water of the locations all around Kalinderu ski slope costed 5.2 million Euros, money obtained through structural funds Phare, according to official data;
- Development and implementation of EU-funded projects aimed at improving key issues facing the Romanian tourism, contributing to the sustainable development of important tourist areas should be a strength point. Unfortunately, it should be noted that the level of these projects is not very good, Romania facing with a weak absorption rate of EU funds. The failure reflected by the distance at which we are still against the European average in terms of regional development is the failure of adequate absorption of European funds available (Romanian Academic Society, *Annual Report*, 2012). In terms of number of projects, a detailed statement of both completed and financing contracts signed for the Priority Axis *Sustainable development and tourism promotion* can be seen in Table 1.

Table 1. Completed projects and signed financing contracts for Axis 5 Sustainable development and tourism promotion

Indicators	Target for 2015	Obtained in 2010
5.1 Projects in Tourism (no.)	100	47
5.1 Jobs created/maintained (no)	200	0
5.2 Projects in Tourism (no.)	300	61
5.2. SMEs supported (no)	350	49
5.2 Tourists arrivals in rehabilitated accommodation (no)	400,000	0
5.2 Overnights accommodation in rehabilitated infrastructure (no)	800,000	0
5.2 Jobs created/maintained (no)	800	12
5.3 Campaigns to promote tourism brand (no)	10	48
5.3 National Centre for Tourism Information and Promotion (no)	10	1
5.3. Guests at the National Centre for Information and Tourism Promotion (no.)	1 million	0
5.3. Web visitors (no)	1, 5 millions	0

Source: Ministry of Regional Development and Tourism, *Annual Implementation Report for POR 2010*, May 2011.

Regarding how high the request of European funds is, the situation is as follows: applications submitted for the *Accommodation and recreation tourism* domain register a high level of 231% by March 2012 and applications submitted for the *Promoting tourism potential* domain register a level of 122% by March 2012. Regarding the situation on these funds by Regions, for all Priority Axes, this situation can be observed in Figure 1.



Source: Graphic developed based on the information taken from Ministry of Regional Development and Tourism, *Stage of the POR implementation*, March 16, 2012.

Figure 1. The request number of grant applications filed by Regions (March 2012)

We therefore conclude by claiming that all regions experienced a high level of demand in general (as can be seen in Figure 1), and this high level persists for applications in the domains of *Accommodation and recreation tourism* and *Promoting tourism potential*. In this situation, the Northwest Regional Development Agency suggested that it would be appropriate to make a prioritization between projects submitted and the evaluation to concentrate primarily on projects that are likely to be funded (Romanian Academic Society, *Annual Report*, 2012).

Regarding the degree of contraction of EU funds on areas and regions the indicators show a worrying statistic: in general, the total percentage of contraction is delayed within *Axis 5 – Promoting the tourism potential*. (Romanian Academic Society, *Annual Report*, 2012).

Regarding the *Promoting tourism potential domain* by the end of 2010, 590 applications were submitted for funding, totaling 131.6 million EUR, of which EU contribution amounts to 93.1 million Euros, the degree of access to funds European allocated to this key area of intervention is 73%. By the end of 2010, there was contracted about 8% of the total amount allocated to this area of intervention, because of the 49 financing contracts signed with a total value of 15.08 million EUR of which 10.33 million EUR were European funding grants. Bucharest-Ilfov and Centre have the highest rate of contraction for this area of intervention, with values of 31.1% and 15.3%, while the worst rates are found in South West (2, 3%) (Ministry of Regional Development and Tourism, *Annual POR Implementation Report for 2010*, May 2011).

Regarding the *Accommodation and recreation tourism* domain, until the end of 2010 there was contracted about 53% of the total amount allocated to this key area of intervention, because of the 61 financing contracts signed with a total value of 231.7 million EUR, of which 122.4 million EUR were European funds grants. North-East and Centre contracted over 70% of the amount available for this area of intervention, while the weaker contracting rates are found in the South (25.9%) and Bucharest-Ilfov (8.5%). (Ministry of Regional Development and Tourism, *Annual Implementation Report for POR 2010*, May 2011).

In this situation with the help by the European Commission, the Government has taken steps to improve administrative capacity, with results expected later this year when a target has been set, extremely ambitious in relation to the absorption today. The latest battle plan to remedy the situation of European funds, generally, is the Priority Action Plan, under the coordination of Structural Instruments Coordination Authority (Romanian Academic Society, *Annual Report*, 2012). The overall objective aims the blocks already known: addressing problems and deficiencies affecting mostly the implementation of Structural and Cohesion Funds, in order to eliminate or significantly reduce the barriers of absorption. (<http://www.fonduriue.ro/>) This was approved in 2011 but has not yet felt the impact, which is noticeable also in tourism.

The Romanian tourism however is not only faced with this problem, there are also other weaknesses that we have to take into account:

- The instability of the government institutional framework responsible in developing the policy and the strategy in tourism and the lack of cooperation between tour operators, according to data provided by the Ministry of Economy, Trade and Business Environment;
- The tourism offer is unevenly developed at regional level. Network of tourist accommodation units are unevenly spread;
- Poor infrastructure at national level, European and national roads overuse, access infrastructure to some areas with tourism potential is poor;
- Prolonged economic crisis has had a significant effect on tourism flow, recording decreases in the number of tourists;
- The high percentage of old accommodation structures, according to data provided by the Ministry of Economy, Trade and Business Environment;
- Last but not least, we can not neglect one important aspect, namely that Romania is threatened by the loss of foreign investment potential and the loss of a significant number of foreign tourists because of the tourism development in neighboring countries, Hungary and Bulgaria, the latter remarking both on the sector of the summer tourism and winter tourism. These countries were able to encourage this sector both by coherent policy of promoting and through consistent fiscal policy (Romanian Academic Society, *Annual Report*, April 2009).

Combining economic aspects with the communication is very important. Therefore we plan also an analysis of tourism which also captures aspects of communication; therefore among the strengths in activity of tourism, *in terms of communication*, we mention:

- exploiting the tourist potential and increasing the flow of tourists through a larger number of measures to promote than in previous years:
- Current promotion to all the sights and fairs organized by foreign tour operators. Note the reintroduction of Romania in the tour operator's options among Germans, especially by ITS Reisen; its plans are to expand the promotion for Romania in 2013, by a country brochure dedicated to Romania and distributed in Germany, Austria and Switzerland, according to data from the Ministry of Regional Development and Tourism. ITS Reisen is part of REWE Group's tourism division, which ranks second among German travel conglomerates, depending on income, and holds over 2,500 own travel agencies, franchise or in cooperation with other travel agencies;
- Development of promotional materials such as: catalogs, brochures, leaflets, posters and booklets, various prints, tourist guides and maps, panels, photo albums, reportages, animation and documentaries tourism, audiovisual materials, tapes, films typical tour, CDs and DVDs, tourism protocol objects, sending promotional material and protocol at home and abroad, according to data taken from the The multiannual program of marketing and tourism promotion and The multiannual program for the development of tourism destinations, shapes and products;
- Internet marketing, social networking and other electronic means, including the development and management of tourism information portal, on a competitive basis, supporting the full cost (required for both hardware and the creation of software), including the development and management ones, based on budgetary funds, and other marketing and promotional activities via the Internet and other electronic means, according to data taken from The multiannual program of marketing and tourism promotion and The multiannual program for the development of tourism destinations, shapes and products;
- Promotion and advertising through the major airlines and airports in Romania and abroad, consisting of advertising inserts in promotional material by airlines and airports, distribution of promotional TV clips, movies, travel advertising, promotional materials at airports and in aircraft and other promotional and advertising activities in collaboration with airlines or airports, according to data taken from The multiannual program of marketing and tourism promotion and The multiannual program for the development of tourism destinations, shapes and products;
- Promotion through advertising inserts in newspapers and general interest magazines, travel catalogs and other specialized publications (guides, maps,

brochures, flyers) made by tour operators, travel companies with business associations, employers and NGOs working in the tourism sector, local authorities and central government and other entities related to the activities in tourism that promote on the target markets of interest the destination of Romania, travel products and travel packages within Romania, according to data taken from The multiannual program of marketing and tourism promotion and The multiannual program for the development of tourism destinations, shapes and products;

- Promotion through TV stations, radio and online broadcasts performing tourism programs or other programs with impact in the increasing tourist traffic in Romania, increasing the awareness of Romanian destinations or understanding the importance of the Romanian tourism, according to data taken from The multiannual program of marketing and tourism promotion and The multiannual program for the development of tourism destinations, shapes and products;
- Conducting promotion and advertising actions, part in increasing awareness of the Romanian tourism destinations and products through personalities with national and international recognition from different fields, such as art, culture, sport, science and other similar, as vectors to promote Romanian tourism brand, according to data taken from The multiannual program of marketing and tourism promotion and The multiannual program for the development of tourism destinations, shapes and products.
 - The existence of a rich offer, with high tourist, history and culture importance, which may be subject for a country branding campaign: Braşov, Prahova Valley, Sibiu (European Capital of Culture in 2007), Sighisoara, Maramures, Bucovina, Moldavia Monasteries , Danube Delta;
 - The existence of areas with a strong tourism brand (Transylvania, Sibiu - European Cultural Capital in 2007);
 - The diversity of tourist objectives and their correct promote can lead to the development of business tourism and thus to attract investment.

When we realize this analysis we should also point the negative aspects that can not be ignored:

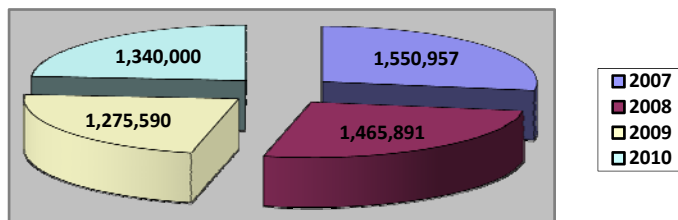
- Insufficient tourism information and promotion for a long time;
- Lack of a country brand that can be promoted, especially abroad, and controversial country brand campaigns carried out over time, among which we mention three campaigns:
 - In 2001, the campaign *Made in Romania* took place. Its aim was to promote Romania, leaving of anonymity, dropping the label “no name”; the objectives were: to promote Romanian products, domestic productivity growth, reduce unemployment, raise living standards. The communication tools used were: promotion through a website, buying advertising space in the monthly magazine suggestively named “Made in Romania”. Also, this campaign has

resorted to PR techniques especially for promotion of IT domain in Romania. Such techniques can include conferences, seminars thematic roundtables organized by the Ministry of Communications and Information Technology, in collaboration with the professional organizations in the field. This campaign was not successful being invoked as a reason the lack of sustained promotion and lack of information (Dolea, Tarus, 2009);

- In 2007, the campaign *Fabulospirit* took place. Through this campaign, the Foreign Ministry aimed positioning Romania as a country with spiritual people who enjoy life, a nation defined by inner wealth and fabulous spirit. But criticism of this campaign was numerous. Even Foreign Minister at the time, Adrian Cioroianu, said publicly that the entire campaign needs to be reconsidered, which triggered press accusations toward authority, which would again show a lack of competence and waste of public money. The slogan *Fabulospirit* was himself criticized, which some advertising experts have considered artificial and inappropriate. Although it has been allocated a considerably budget, amounting to 3 million, the campaign did not even come to be implemented (Dolea, Tarus, 2009);
- The most recent and perhaps most controversial campaign was *Romania - Explore the Carpathian Garden*, whose famous logo is the green leaf which according to data presented by the media would cost only \$ 250 but officially it costs 890,000 Euros according to information taken from Antena 3. The total value of the promotional campaign was 4,960,000 Euros, VAT, reimbursable European funds through the Regional Operational Programme 2007-2013, Axis 5, the operation “Creating a positive image of Romania as a tourist destination by defining and promoting the national tourism brand”, according to data from the Ministry of Regional Development and Tourism. The campaign was to be conducted on three TV channels worldwide coverage: CNN, Euronews and Eurosport. The choice of these international broadcasters has been achieved having as a criterion the audience (unique viewers per week) among people with incomes above the average, traveling both for business as well as for pleasure, at least six times a year, according to data of European Media and Marketing Survey (EMS) for 2010, taken by the Ministry of Regional Development and Tourism.

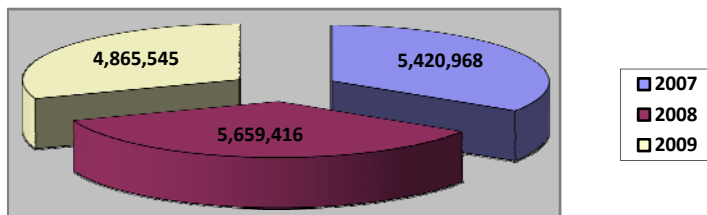
Although Romania has had numerous promotional campaigns, statistics show that the number of tourists decreased. Paradoxically, although tourist’s accommodation capacity has been continuously increasing from 2007 to 2009, the number of tourists decreased. The year 2007 brought 1,550,957 foreign tourists, the year 2008 only 1,465,891 foreign tourists and in 2009 the figure was 1,275,590 foreign tourists (Figure 2) Autochthonous tourists chart follows the same curve downward: 5,420,968 Romanian tourists recorded in 2007, year 2008

records a figure slightly increased, of 5,659,416 tourists, and in 2009 the figure registered a high decrease, 4,865,545 tourists (Figure 3) (National Institute of Statistics, *Statistical Summary - Romanian Tourism*).



Source: Graphic developed based on information taken from National Institute of Statistics, *Statistical Summary - Romanian Tourism*, 2010.

Figure 2. Number of foreign tourists recorded during the period 2007- 2010



Source: Graphic developed based on information taken from National Institute of Statistics, *Statistical Summary - Romanian Tourism*, 2010.

Figure 3. Number of domestic tourists recorded during the period 2007- 2009

- The lack of effective communication and collaboration between the environment of research, business environment and decision-making environment blocks identifying and developing the best solutions in the process of sustainable development at the regional level, according to data provided by the Ministry of Economy, Trade and Business Environment.

Based on this detailed analysis whereby we tried to present the most important strengths but also weaknesses of tourism in Romania, at present we can state that tourism is an important component that requires special attention, an analysis of the points of the current development stage, but also coherent and sustained measures, capable to place Romania on the map of countries with tourist importance. Tourism has become a strategic priority for economic development, is one of the services that need to be involved in sustainable development. Currently, tourism should be analyzed and ranked as the potential that, operated after a laborious strategy, to generate the best results, measured in profit and development (Dragomir, 2009).

Conclusions

When talking about tourism, we must take into account its economic and communication valences. An analysis of these two approaches allows us to make a true and accurate assessment of the situation at the moment of the Romanian tourism, and how tourism can affect a country's economy. Foreign investors, attracting foreign tourists, creating and maintaining jobs in the industry are just some of the economic effects that come as a result of communications efforts directed towards creating a strong country brand, able to attract a growing number of visitors and investors.

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