

TOURISM IN THE MIDDLE OF THE GLOBAL CRISIS

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Abstract

The paper is divided into three parts. In the first part is presented the evolution of tourism in Europe during 2008 as indicated by data provided by Eurostat, in the second part is made a brief analysis of the Romanian tourism development in the period August 2008 - January 2009. Both the European Union and Romania reveal a decrease of the turnover, a decrease of the tourist number and a decreased length of stay. In the EU, crisis started to have an effect in the second part of the year. However, the number of nights spent in hotels and similar establishments in the European Union showed a small decrease (-0.5%) compared with the previous year. In Romania, January 2009 brought a sharp decrease of net use of tourist accommodation bed – place in hotels and similar units from 50.4% in August 2008 to 17.7% in January 2009. The last part of the paper, presents various ways to decrease and eliminate the effect of the crisis in Romanian tourism. There are presented measures taken by the Ministry of Tourism, national prizes award of goods and services quality, methods to improve services quality by implementing a quality management system. For this purpose are presented the certified companies by RENAR, which issue quality certificates and the number of firms from the tourism segment certified by them. The paper shows steps that can be followed to implement a system of quality management. ISO 9000 and ISO 14000 standards are the guideline standards that can be implemented by any firm.

Keywords: development, quality management, ISO standards, measures, employment, projects.

JEL classification: O, R, Z

1. INTRODUCTION

The paper aims to briefly present the situation of the tourism in Europe and in Romania at the end of 2008 and the beginning of 2009. For this purpose have been processed the most recent data provided by Eurostat and INSSE.

The theme was chosen out of the desire of active involvement in an area of great importance for the evolution of Romanian economy and out of the desire to generate an alarm signal. In addition, this paper presents and proposes measures that could be considered to mitigate the crisis effects. Regarding the approach, I chose to take over and to process the latest data from official sources for a more appropriate knowledge of the current problem.

2. POLICIES AND STRATEGIES FOR TOURISM DEVELOPMENT

2.1 Tourism situation in the European Union

The demand for hotel services is split between that for business and that for leisure. Business demand tends to fluctuate with the economic cycle, as during periods of recession businesses try to reduce their expenditure. In a similar way, individuals are also more likely to curb their spending on tourism related activities during periods of low consumer confidence.

Europe is a major tourism destination and six of the Member States are among the world's top ten

destinations for holiday-makers. As a result, the tourism industry plays an important role in European economy. The economic potential and the employment potential while presenting social and environmental attract many investors and help to develop the European region.

According to the European Commission, tourism accounts for 4% of the Community's GDP. When the interactions with other sectors are taken into account, tourism's contribution to GDP is estimated to be around 11% and it provides employment for more than 12% of the labour force, representing about 24 million jobs.

When we talk about tourism, we must take into account the infrastructure, the environment, the sustainable development and the economic impact, so everything links. The presence or absence of one of the items entails an inadequate development of the sector.

According to Eurostat the European Commission adopted in 2006 a new policy for tourism. The document contains some challenges that finally will lead to a tourism change in the coming years and take into account the particularity of Europe: Europe's ageing population; growing external competition; consumer demands for more specialized tourism; and the need to develop more sustainable and environmentally-friendly tourism practices.

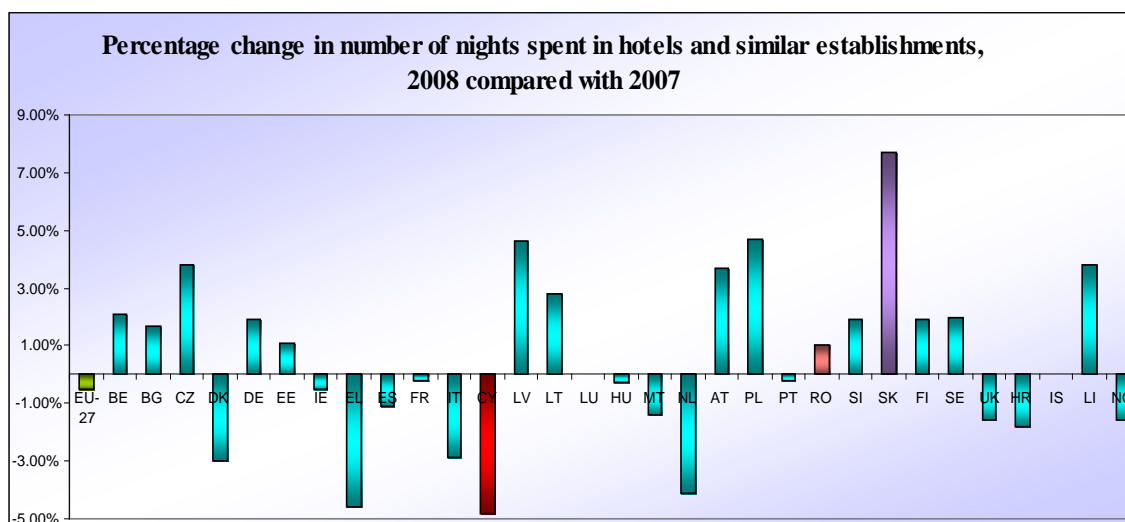


Figure 1 - Tourism in Europe, first date publicized by Eurostat for 2008 Data source Eurostat

In October 2007 a new document was issued by the European Commission "Agenda for a sustainable and competitive European tourism", which outlines the future steps for promoting the sustainability of European tourism and further contributes to the implementation of the renewed Lisbon strategy for growth and jobs.

In 2008, the number of nights spent in hotels and similar establishments in the European Union showed a small decrease (-0.5%) compared with 2007. Big differences are observed across the EU, from a decline of 4.8% in Cyprus to a growth of 7.7% in Slovakia.

According to EUROSTAT the economic and financial crisis started to have an effect in the course of the year. In the period January to April 2008, the number of nights spent went up by 1.6% compared with the same period in 2007, while a decline by -0.5% was reported for the period May-August. In the last four months of the year, the total number of nights spent contracted by 3.2%. The main factor that led to this decrease was a decrease of foreign tourists. The accommodation sector seemed to be more affected by the crisis than the overall tourism sector. The number of holiday trips made by EU citizens went up by 7.1% in 2008 but the growth was less favorable in the second half of the year. Trips were shorter. Air passenger transport grew by 1.6% in 2008, but operators have reported a decline in the last semester (Demunter, Dimitrakopoulou, 2009).

2.2 Romanian Tourism Development from August 2008 to January 2009

During August 2008 – January 2009 the turnover volume of firms from the tourism industry declined from one month to another, especially since November. In October, the turnover volume registered by the travel agencies and tour operators grew by 5.5% related with the previous month, but in December fell to 66.8% related to the previous month.

Obviously must be taken into account several aspects: the students summer holiday, the parliamentary elections, the economic and financial crisis and the fact that people prefer to plan their holiday a few weeks earlier, etc.

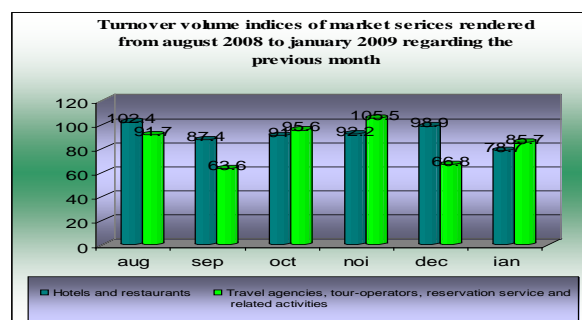


Figure 2

I believe that this decrease is not exclusively due to the crisis but also to other factors mentioned above.

If we report the August 2008 - January 2009 period to August 2007 - January 2008 period we can observe a significant decline in the economic activity of the travel agencies and other firms from tourism industry.

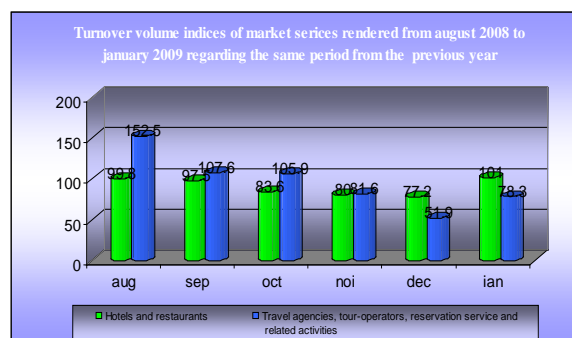


Figure 3

In December 2008 the travel agencies turnover volume went down to almost 50% of the turnover volume registered in December 2007. Although

January 2009 is considered to be part of the crisis period, hotels and restaurants turnover went by 1% compared to January 2008.

The graphs below show the situation of arrivals in the main establishments of touristic reception with function of touristic accommodation from August 2008 to January 2009. Of the total number of arrivals in January 2009 in the littoral resorts excluding town of Constanța have been 1%, in the watering resorts 7%, in the mountain area resorts 12%, in Bucharest and town country of residence excluding Tulcea 12%, in the Danube Delta area and Tulcea 4% and in other localities and other tourists routes 11%.

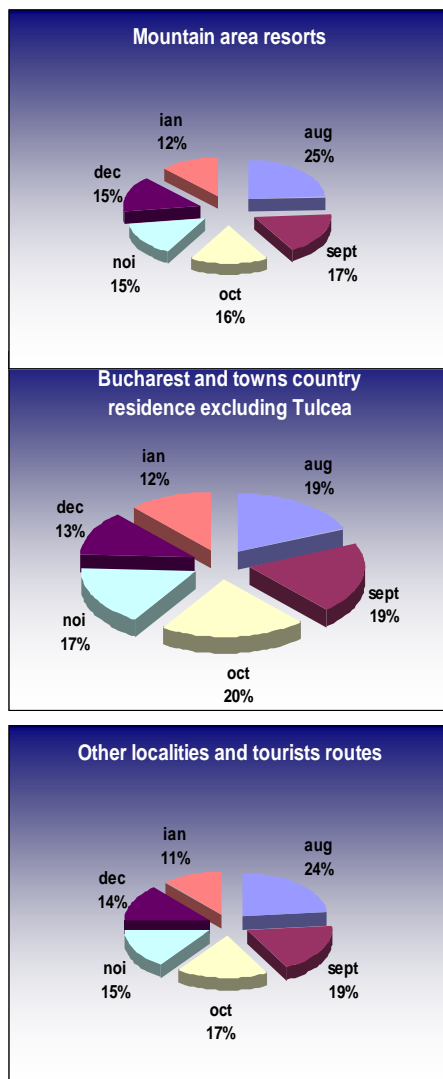


Figure 4

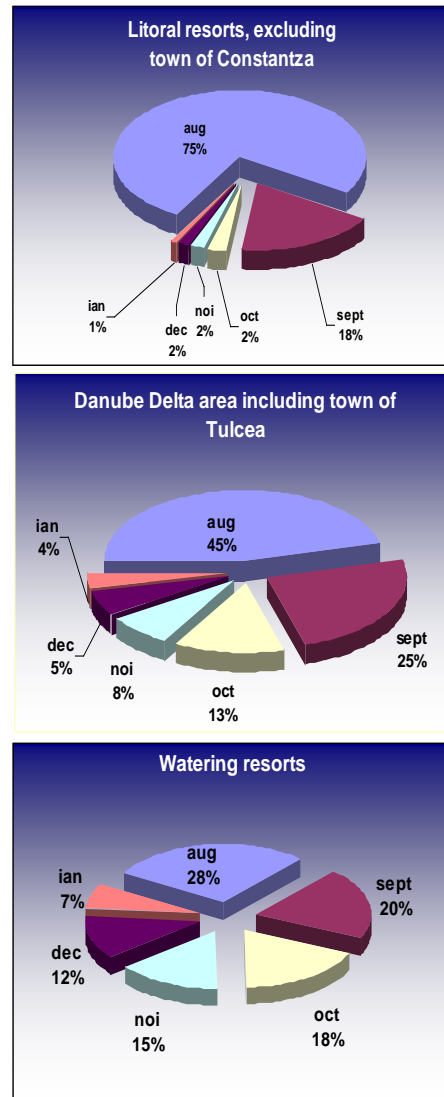


Figure 5

2.3 Indices of net use of tourist accommodation bed – places

If in August 2008 indices of net use of tourist accommodation bed- place in hotels and similar units was of 50.4% in January 2009 was of 17.7%, as we can see is half of the value reached in August. Regarding specialized units (such as school camps) has gone down to 13.3% in December, increasing in January to 13.5%.

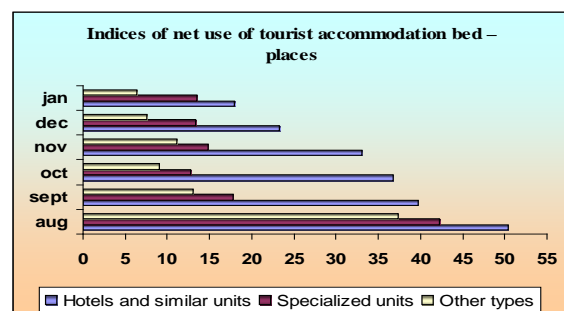


Figure 6 – Indices of net use of tourist accommodation bed-places

Indices of net use of tourist accommodation bed – places by tourism area

In the littoral resorts excluding town of Constanța, these fell down from 64% in August to 8.2% in January, in the mountain area went from 36.5% to 18.7%, in the Danube Delta and Tulcea from 50.9% to 10.5%, in the watering resorts from 70.6 to 15.6% in Bucharest and town country of residence excluding Tulcea from 32.6% to 20.2% and in other localities and other tourists routes from 31.3% to 14%.

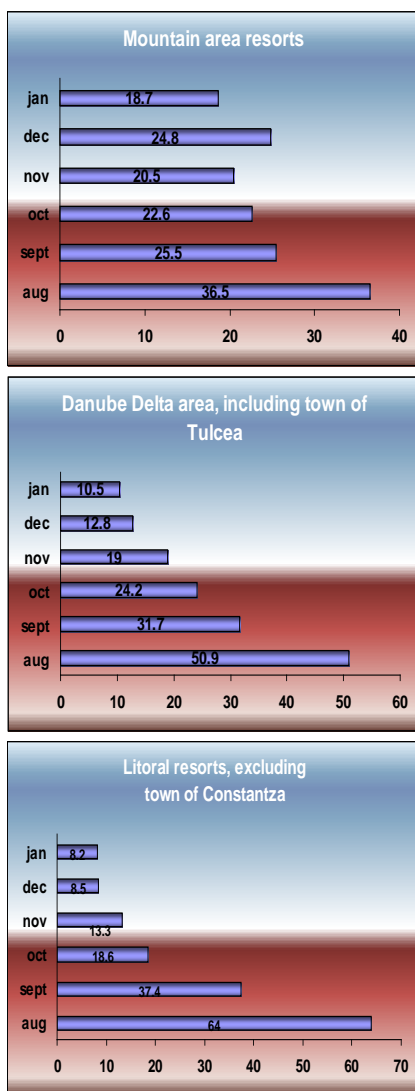


Figure 7

Source: www.insse.ro

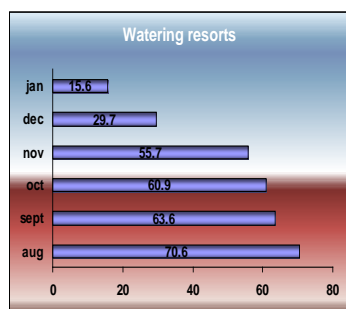


Figure 8 – Watering resorts

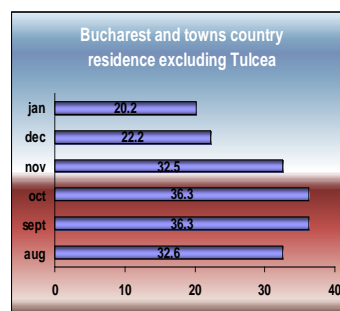


Figure 9 – Bucharest and towns country residence excluding Tulcea

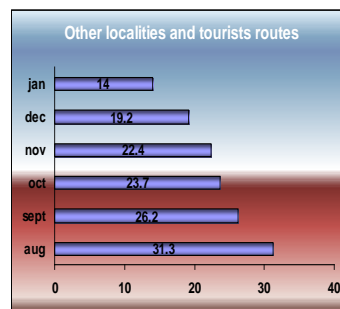


Figure 10 – Other localities and tourists routes

3. SOLUTIONS FOR THE REDUCTION AND ELIMINATION OF THE TOURISM CRISIS EFFECT

From my point of view, one of the main problems of the Romanian tourism is the quality of services provided. I believe that improving them will increase the employment rate, the tourist accommodation bed – places, the turnover volume of companies from the tourism industry and the jobs number.

Even though the current Ministry of Tourism seeks to find sustainable solutions and tries to help businesses and tourists, offering tickets for Romanian holiday, even though they create a diverse range of programs they don't make concrete steps in improving the quality of services. There is a project issued in 2007 called "Master Plan for the National Tourism Development 2007 – 2026" which contains recommendations in this direction.

According to the data presented in this plan in 2006 in Romania there were more than 4700 units of accommodation.

The main stipulations of the plan regarding the improving of services quality are:

- Quality and safety control and the development of high professional service standards
- With the granting of licenses or registration and classification to provide an acceptable standard and the facilities and services offered to tourists security.
- Keeping the records of hotels, motels, hostels, touristic villas, touristic chalets, camping, ship accommodation spaces, restaurants and travel guides.

- Collection of fees for licensing.
- Publication or contracting as regard publishing annual lists of buildings registered or who have been licensed.
- Ensure the inclusion in the website of the Romanian tourism containing updated lists of registered accommodation structures and other products and services authorized.
- Based on data, research and guidance provided by the Department of Marketing the Department should review and harmonize the criteria for licensing or registration and classification so that the industry will be encouraged to maintain the standards at the international market expectations competition. [10]

In a functioning market economy with global competition, Romanian tourism suppliers of services should be forced to take into account, in terms of services quality and charges applied the needs, the requirements and expectations of the consumers (Dinu, 2005).

Not only the Ministry of Tourism should take measures but also managers and employees in the hospitality industry (travel agencies, hotels, restaurants, etc.) should take measures. They should try to raise the standards regarding the service quality and to practice lower tariffs, so that they maintain and even to gain new customers for a constant increase of turnover volume, profit and market share.

I consider that problem of the services quality provided by tourist establishments in Romania and their image is a matter of survival for them. This problem is mainly one of vision, values, goals and strategies. It is also a problem of codes of good practice and high standards (Dinu, 2005).

Once realized and formulated the problem we can go even further to resolve it. Thus, in order to sell high quality services, managers and employees of companies must create quality, to assess it and to improve it. These steps can be made by implementing a quality management system conforming to ISO standards, which involves system planning, quality control and quality improvement of tourist services.

International Organization of standardization is an organization which - since 1947 - develops voluntary technical standards applied in almost all industries, technology and business sectors.

International Organization of Standardization developed models for quality systems by introducing ISO 9000 standards, among which introduced standards for food safety (ISO 22000), environmental management (ISO 14001).

In the figure bellow it can be seen the relation between the market actors and how they influence each other. If one of the actors does not match his place or is missing then we don't have any more our object of discussion.

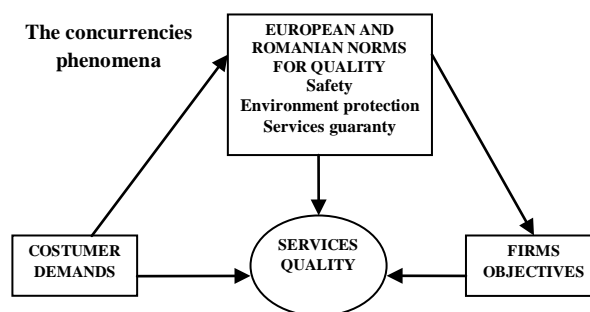


Figure 11 – The concurrencies phenomena

Source: Managementul Calității 2008

In Romania the organisms with rights in management activities and quality standardizations are: RENAR (the national network of accreditation from Romania); ASRO (Romanian Association for Standardization), Romanian Association for Quality, Romanian Foundation for Quality Promotion, Association of accredited laboratories, the National Register of Auditors.

Between the RENAR accredited companies that deals with quality standardization only six of them deal with the Standardization in hotels and restaurants. Five of them have their registered office in Bucharest. (SC CERTROM LLC Măgurele, Ilfov 24 certified hotels and restaurants, SC AEROQ SA Bucharest 3 certificate for hotels and restaurants from 2303 certified company, SC SIMTEX - CERTIFICATION BODY SRL Bucharest less than 15 certificates from 2379, TÜV Rheinland ROMANIA Bucharest has not certified any firm in this field in Romania, Romanian Movement for Quality Craiova data not available, SC SRAC CERT SRL Bucharest, SC Certind SRL from 3217 certificates only 1% are for hotels and restaurants).

Accreditation provides confidence to buyers and to authorities and facilitates cross-border trade. The ultimate goal is to complete a single accreditation and a single assessment of compliance.

A company which excels in providing quality services can enter in the race for the National Joseph Juran Award for Quality.

Another program for competitive companies in terms of quality is "Q Mark" the quality being considered a priority for the National Authority for Tourism and a component of the strategy for tourism development in Romania.

The Center for Quality services in Tourism and Hospitality industry (INQUALTOUR) aims to take over the Spanish system for the quality Q brand as a standard of excellence in the field. The INQUALTOUR is founded by 14 associates including: Romanian Society for Quality Assurance (SRAC), Tourism Hotel and Restaurant Consulting Group (CG-thr) and the Romanian Association for Rural and Ecological Tourism (ANTREC). (Drăgulănescu, 2009)

In view of achieving the service quality there are several steps that must be made. The table below shows the synthesized phases.

Table 1 - Stages achieving service quality

Stage	The name of the stage	Activities
1.	The Concept of quality	Marketing activities Comparative studies The competition study Improving existing services Setting the customer demand
2.	Designing quality	Technical specifications for services Develop instructions and procedures Software
3.	Quality Assurance	Creating an duties note book Quality control plans Designing and implementing the quality management system
4.	Achieving quality	To follow the achieving of quality prescribe by the production factors
5.	Quality control	The supply control Metrological assurance The Services control
6.	Quality evaluation	Quality costs analysis Analyze how is made the quality system of organization and leading Application of the analytical methods and quality evaluation
7.	Quality improvement	Improve the quality Improving the quality characteristics Improving the organization structure and quality management

Source: (Albu Angela, 2008)

EN ISO 9000:2000 standards was took over in Romanian standard terminology as SR EN ISO 9000:2001 entitled "Management Systems of quality. Essential principals and vocabulary "and defines "the ability of a range of intrinsic characteristics to meet certain requirements". According to the standard the quality term can get a grade (mediocre, good and excellent) according to the degree of requirements satisfaction take under consideration.

According to SR ISO 9004:2-1994 terminology standards "Quality management and quality system elements. Guide service" (Part 2) the service is the result of some activities carried out by a service provider-named performer-in order to meet the customer needs, both in customer-supplier interface and by the supplier internal activities.

According to ISO 8402-1994 the quality planning includes the activities that determine the objectives and requirements regarding the quality and the requirements for implementing quality system elements (Albu, 2008).

4. THE ISO 9000 STANDARDS FAMILY

SR EN ISO 9000 (SR - Romanian standards, EN - European standards, ISO - International Organization for Standardization)

The ISO 9000 standards family can be implemented by any companies of all types and sizes for the operation with effective systems of quality management.

This family forms a coherent set of standards of quality management system (QMS) who facilitate the mutual and internationally trade nationally.

The next standards define the terminology for the QMC:

- ISO 9000: 2006 (ISO 9000 issue in 2006) - describes the fundamentals of the QMC and name the terminology applied by this system.

- ISO 9000: 2001 replaced by 9001: 2008 on 14 November 2008 - contains the requirements for the QMC and addresses mainly to organizations that have to demonstrate the conformity assurance with the clients requirements and with the body of certification.

- ISO 9000: 2001 - provides guidance regarding the effectiveness of the QMS. It aims to improve the company's performance and the satisfaction of all stakeholders.

- ISO 9004: 2001 - quality management systems. Guidelines to improve the performances

- ISO 19011: 2003 - provides a guide for audit quality and environment.

- ISO 10005: 1999 – provides guidelines to assist organizations in developing, analyzing, accepting and reviewing the quality plans.

As mentioned above from November 14 ISO 9001:2006 standard has been replaced by ISO 9001:2008, which entails a series of changes.

Until 14 November 2010 will no longer be a certificate issued under the 2000 edition, and the certificates issued with reference to ISO 9001:2000, must have maximum validity of up to 14 November 2010. No other audit made after this date will be conducted according to the edition of 2000. Till July 1, 2009 new customers can opt for quality management certification according to ISO 9001:2000 or according to ISO 9001:2008. Organizations already certified under ISO 9001 SRAC have a period of two years to make the transition to 2008 edition. The transitional period will end on 14 November 2010.

ISO 9001 is generally aligned with other management systems such as ISO 14001 - (Systems for environmental management), ISO 22000 (management systems of food safety), to increase the compatibility standards.

ISO 14001 provides requirements for the system of environmental management, applicable to any organization which aims:

- Implementing and improving environmental management system;

- Ensuring the system compliance with its environment policy;

- Demonstration of system compliance with this standard;
- Certification / registration of the system with this standard;
- Making a self-assessment or his own responsibility shifting of the system conformity with this standard. (Dumitrașcu)

5. CONCLUSION

According to data supplied by EUROSTAT the number of nights spent in hotels and similar establishments in the European Union showed a small decrease (-0.5%) compared with 2007 the main reason being the crisis.

According to data provided by the National Institute of Statistics, in Romania the crisis was felt especially in the latter part of 2008 and early this year.

One of the measures that are necessary to be taken to reduce the effects of the crisis is improving the quality of services provided. After consulting databases containing approximately 15,000 Romanian firms certified in quality management and environmental management, I found out that less than 100 of them belonged to the tourism industry (accommodation units, restaurants, travel agents).

Almost all bodies are now taking measures, but lack of funding, uncertainty of the next day make things stagnate and events march back. The signals from the last weeks indicate a greater involvement of the Ministry of Tourism in economic activity of this sector.

There were created new programs that encourage the Romanian tourism, gathering the economic relations between the actors, the degree of involvement is greater. Prices seem to decrease but the problem of the quality of services provided remains.

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