

## ASSESSMENT OF TOURISM SUPPLY, DEMAND AND MARKET TRENDS IN CRAIOVA CITY, ROMANIA

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### Abstract

*Tourism is a phenomenon that can contribute to the economic success of a city or even to its social dynamism, so that in recent years there is an increasing trend and active promotion of the tourism industry in many cities in Europe, Romania also trying to align with the European trends.*

*Urban tourism as a category of tourism resources and activities within a city is a complex and multifunctional form of tourism. Its development is directly influenced by the permissiveness of local, regional and national policy but lately also by the new marketing and tourism promotion strategies and actions and by the proper receptivity of these strategies.*

*This study aims at analysing quantitatively and qualitatively the urban tourism phenomenon (tourism supply and demand) in Craiova city, the county seat of Dolj and an urban growth pole of the Oltenia development region, in order to highlight the tourism market trends and to obtain a tourism diagnosis. The prognosis of the tourism activity done by using the TALC model can help the authorities, who started to focus on this sector, which was less capitalized in the city due to the functional economic profile focused initially on industry and commerce.*

**Key words:** Craiova city; Tourism demand; Tourism market; Tourism supply; TALC.

**JEL Classification:** L83, O18

### INTRODUCTION

Nowadays tourism is a phenomenon that can contribute to the economic success of a city or even to its social dynamism, so that in recent years there is an increasing trend and active promotion of the tourism industry in many cities in Europe, Romania also trying to align with the European trends.

Cities are in a constant state of change, which is fundamentally, transforming the urban nature. Thus the contemporary cities have an extremely diverse nature (Hall, 1998), being in a continuous competition to become economical and touristic promoters and even destinations of the regions and countries they represent. This competition occurs not only in tourism but takes place also in Romania, especially between big cities with a population over 200.000 inhabitants.

It is well known that a secure and economically stable city can become a successful destination for potential tourists, so that urban tourism is one of the main factors of the cities' economic growth (Metaxas, 2010), leading to a dynamic labour market by creating new jobs. In a globalized world, cities with a high tourist potential rely on tourism to gain a strategic and competitive position on the tourism market.

Urban tourism represents a category of tourism resources and activities within a city, being a complex

and multifunctional form of tourism. Its development is directly influenced by the permissiveness of local, regional and national policy, but lately also by the new marketing and tourism promotion strategies and actions and by the proper receptivity of these strategies.

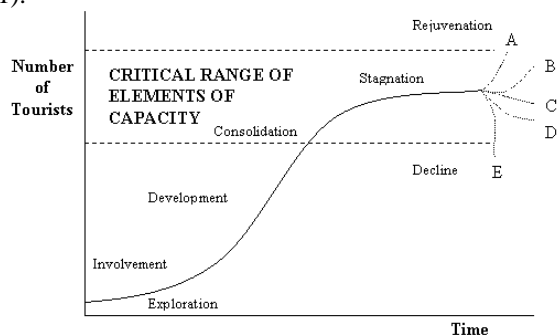
In the general context of urban tourism, this study aims at analysing quantitatively and qualitatively the urban tourism phenomenon (tourism supply and demand) in Craiova city, the county seat of Dolj, and an urban growth pole of the Oltenia development region, in order to highlight the tourism market trends and to obtain a tourism diagnosis. The prognosis of the tourism activity was done by using the TALC model and can be a helpful tool for the authorities, who started lately to focus more on this sector.

Tertialization, as a post-industrial period is a phenomenon that occurs disparately in the city after the 1990s, the services appearing latently when the privatization of the state sector took place. Craiova's tourism is mentioned in the literature since 1961, when there were underlined a few anthropic landmarks that remain defining for tourism until present-day.

## DATA AND METHODS

To study the tourism market (tourism supply and demand) of Craiova there were used physical tourism statistical indicators (accommodation capacity, number of bed places, arrivals and overnight stays, etc.) between 1990-2011, which were processed using qualitative synthetic indicators as following: tourism density in relation to population (number of tourists / stable population \* 100), supply density (accommodation capacity / city area \* 100), average length of stay (overnight stays / number of tourists), tourist function (number of beds / stable population \* 100) and the index of net using the touristic accommodation capacity in operation (overnight stays / accommodation capacity in function \* 100). These indicators were subsequently graphically processed in order to be better analyzed.

An analysis model for the prognosis of the situation of a tourist destination was used, belonging to Butler (1980), the so-called TALC (*Tourism Area Life Cycle*) model, quite contested during time (Figure 1).



**Figure 1 – Butler's TALC (Tourism Area Life Cycle) Model for analyzing a destination**

Source: adapted after Miller and Gallucci, 2004

For a better understanding of this model it is necessary to define the term destination. Bierman (2003) defined the destination as "the country, state, region, city or town or markets which is marketed or markets itself as a place for tourists to visit". Regardless of its geographical nature, the destination is a product intended to be marketed appropriately for its consumers, and as any product the destination has a life cycle.

According to Butler each destination has a life cycle formed of the following stages:

- *Exploration*: Begins as a relatively unknown place and visitors initially come in small numbers restricted by lack of access, facilities, and local knowledge;
- *Development*: As more people discover the destination, the word spreads about its attractions and the amenities are increased and improved;

- *Stagnation*: Tourist arrivals then begin to grow rapidly toward some theoretical carrying capacity, which involves social and environmental limits;
- *Rejuvenation*: A and B trajectories, technological developments or infrastructure improvements leading to increased carrying capacity;
- *C and D trajectories*: increased congestion and unsustainable development, causing the resources that originally drew visitors to the destination to become corrupted, or no longer exist;
- *Decline*: E trajectory, path of a destination following a disaster or crisis.

## RESULTS AND DISCUSSIONS

### 1. Tourism supply

Tourism supply is diverse and complementary with a high number of attractive anthropic resources, which are structurally and functionally very diverse and can determine easily the formation of convergent tourist flows that can capitalize socially and economically this supply.

The study area is represented by Craiova city, occupying a surface of 32 km<sup>2</sup>, with an extension of 9.4 km on the north-south direction and of 5.2 km on the east-west direction. The neighbourhoods of the city are located on the 1st-4th terraces of the Jiu floodplain, on its left side. Pelendava Dacian fortress stands at the origin of the city, Pelendava locality being stipulated for the first time in "Tabula Pentingeriana" and the name of Craiova was given in 1475. In 1582 Craiova is mentioned as a city. Its location in a tabular relief does not offer spectacular scenery, but the presence of terraces determined the formation of small hills that border the city.

The bioclimate is solicitant-exciting specific for plains and sedative-indifferent specific for lowlands and hills, thus the city can be visited throughout the year, excepting the summer, when the thermal comfort index can be quite high. The accessibility in the area is done by road (European roads E-70 and E-79, national road DN 6.7), by railway (M900, M902 rail) and by an airport (Craiova International Airport) (Figure 2).

In the regional context, Craiova is considered a growth pole. In 2008 from the South West Development Region GDP of 40,340.2 million Ron at current prices (about 8%, occupying the last position within the 8 development regions of the country) only 523.4 million Ron at current prices belong to the hotels/restaurants sector within the tourist services (from a national total of 8,727.3 Millions Ron at current prices for this segment) (Dolj Department of

Statistics). Tourism sector contribution to the GDP of the region remains low and the turnover of the hotels/restaurants segment of 553 million Ron at current prices in 2010 (from the national total of 10097 millions Ron at current prices) stands as evidence, the tourism businesses hired 9.7 thousand persons (2010) in the hotels/restaurants segment at the regional level.

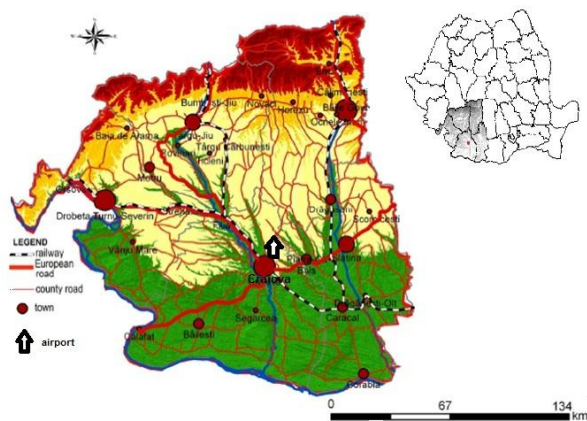


Figure 2 - Craiova city - geographical location and the main access roads

Following the calculation of the tourist attractiveness index for the region according to the INCDT model ([www.incdt.ro](http://www.incdt.ro)), which takes into account four elements: natural potential, anthropic potential, tourism infrastructure and general infrastructure, scoring these elements between 0 and 3, a value of 0.55 attractiveness resulted for the entire Oltenia region, Dolj having a score of 0.42, being an average value within the South-West Region.

Thus, the tourism potential which is an image generator is based on a tourism supply which includes a transit tourism, due to the city location at the intersection of access roads in the south-west of the country, a business tourism which relies on the automotive industry represented by the Ford company, a scientific tourism through the presence of the University of Craiova, as a higher education institution in the region and a cultural and recreational tourism due to the numerous objectives included in the national cultural heritage. Overall one can speak of a polyvalent type of tourism (Cocean et al, 2005) in the city.

According to the National Settlement Development Plan 2010, Craiova ATU (Administrative-Territorial Unit) is a high concentration of tourist resources compared to other ATU-s in Dolj county, having many anthropic tourism resources and a medium developed general and tourism infrastructure (NSP, 2010). Studying an urban space the natural tourism resources are low represented only by green spaces of approx. 600 hectares in the city (e.g. forest areas converted into parks – the Jiu Floodplain Park, drained wetlands - Cornițoiu Park, Craiovița Park and public parks located in the city center - English Park, Băniei

Garden, Mihai Bravu Garden, Holy Trinity Garden), the green spaces located in the neighbourhoods or in the outskirts forests, which attract people for recreation on weekends.

The anthropic supply is more diverse in the city, the anthropic heritage being included in the historical monuments lists of 2004 (310 monuments) and 2010 (313 monuments) created by the Ministry of Culture. A synthesis of these lists was done, observing no significant differences between the 2 years of reference (Table 1).

Table 1 - The historic heritage in Craiova city (2004 and 2010)

Types of landmarks	Historical Monuments	2004	2010
Historic landmarks	The historic city center	1	1
	Entrance into the city Towers	2	2
Religious landmarks	Churches	37	37
Landscape landmarks	Parks	1	1
Cultural landmarks	Heritage Houses	185	188
	Palaces	5	5
	Hotels –heritage buildings	5	5
	Inns	5	5
	Banks	1	1
	Cinemas	1	1
	Busts/monuments/statues	40	40
	Hospitals	5	5
	Schools	5	5
	Baths buildings	1	1
Fountains	4	4	
Economic Landmarks	Plants / factories / public companies	12	12
<b>TOTAL</b>		<b>310</b>	<b>313</b>

Source: The list of historic monuments 2004, 2010, Ministry of Culture

Thus it is obvious the variety of the anthropic tourism resources in the city, being capitalized at a low level not at its full extent. This may be a good premise for developing a more active cultural and historical tourism in the city.

The analysis of the accommodation capacity between 1990-2010 (Figures 3 and 4) shows the highest share represented by hotels whose number increases gradually, between 6 and 8 units, in the analyzed period.

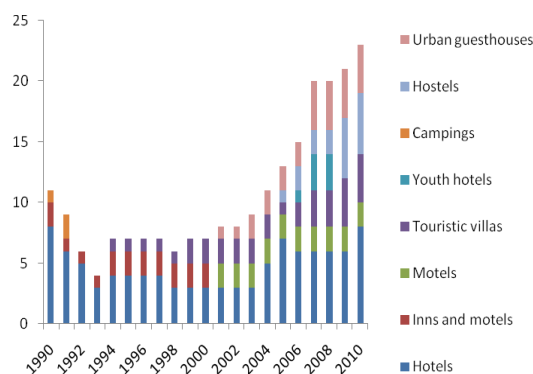
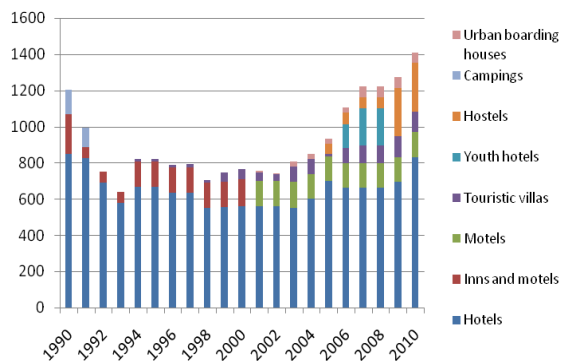


Figure 3 – The accommodation capacity per categories in Craiova (1990-2010)

The inns represented at the beginning of the analyzed period are replaced by motels. It is also worth mentioning the urban boarding houses/guesthouses which appeared since 2001 with just one unit in the city, their number increasing in 2007 and 2010 at 4 units; and even the appearance of the hostels in 2005 with a number increasing from 1 to 5 units. The campings were functioning just for 2 years in 1990 and 1991, all these confirming a change in the accommodation preference of tourists who started to choose higher classified units.

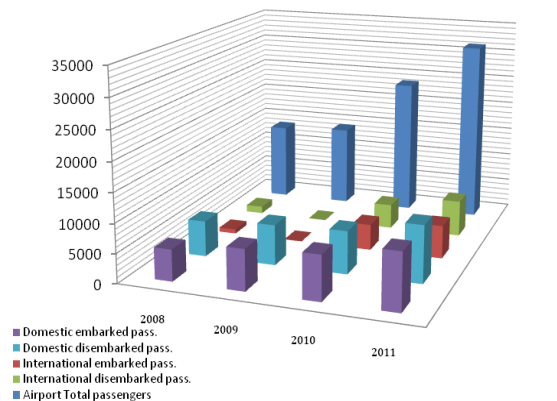


**Figure 4 – The number of beds in different accommodation establishments in Craiova (1990-2010)**

Regarding the number of beds, most of them are in hotels (approx. 830 beds) throughout the studied period, and from 2000 the accommodation diversifies by the appearance of new number of beds in motels (approx. 140 beds), villas (approx. 115 beds) and hostels (approx. 270 beds).

Regarding the general infrastructure, the movement in the city is done easily thanks to the development of urban transport network which is provided by a public and a private company, being represented by a tram line of 36 km with 3 routes that cross the city from east to west and 16 bus routes ([www.rat-craiova.ro](http://www.rat-craiova.ro)). Craiova airport started an intense activity since 2008 (Figure 5), almost doubling the number of passengers in 2010 especially for domestic travels – the number of embarked passengers ranged between 5,372 (2008) and 9,694 (2011) and the number of disembarked passengers ranged between 6,098 (2008) and 9,773 (2011).

According to Figure 4, the international passengers have a lower share in comparison with the domestic passengers within the total number of passengers of Craiova airport (less than 20%), showing its regional and national importance rather than the international one. Thus the international embarked passengers number ranged between 740 (2008) and 5,655 (2011) and the disembarked passenger number ranged between 1,231 (2008) and 6,213 (2011). It is obvious the increase in 2011 due to the automotive industry development in the city which determined international passengers to circulate by plane.



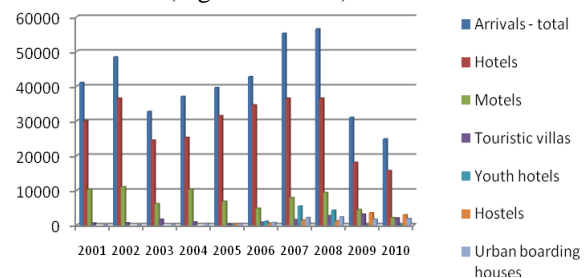
**Figure 5 – The passengers flow in Craiova International Airport (2008-2011)**

*Source: Processed data from Dolj Department of Statistics*

The airport's future policies target the introduction of low-cost airlines in 2013 in order to facilitate the contact with the other European states, thereby increasing the international passenger flow.

## 2. Tourism demand

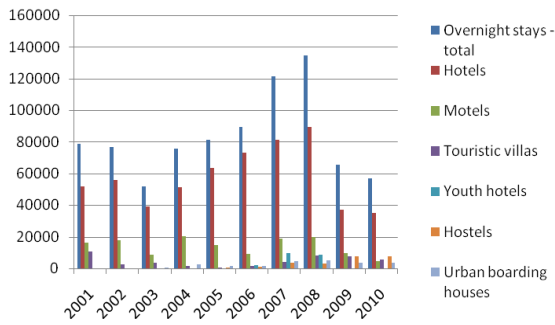
Tourism demand is materialized on the basis of tourism supply, the tourist flows having the following characteristics (Figures 6 and 7):



**Figure 6 – The evolution of the arrivals per categories of accommodation establishments in Craiova (2001-2010)**

During the analyzed period (2001-2010) the highest value of arrivals is recorded in 2007 (55,221 arrivals) and 2008 (56,488 arrivals), most of them in hotels (36,550 in 2007 and 36,533 in 2008) and motels (7,930 arrivals in 2007 and 9,412 arrivals in 2008).

The values decreased in 2009 (31,004 arrivals) and 2010 (2,4812 arrivals) due to the economic crisis. The years 2009 and 2010 recorded also the lowest number of arrivals within the entire analyzed period. The years 2001 and 2002 recorded high values between 40,000 and 50,000 arrivals decreasing in the following period of time (below 50,000 arrivals). After 2007 the increased number of arrivals is also recorded in urban boarding houses (approx. 2,000 arrivals) and hostels (approx. 3,000 arrivals). In terms of arrivals, the tourism boom in Craiova is recorded in 2007 and 2008.

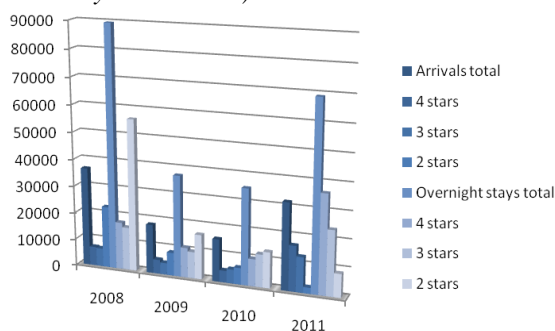


**Figure 7 – The dynamics of the overnight stays per categories of accommodation establishments in Craiova (2001-2010)**

The dynamics of the overnight stays follows the same trend as the arrivals. In 2007 and 2008 there are recorded values with an average of 80,000 overnight stays spent in hotels and values below 20,000 in motels. The years that recorded the highest overnight stays (above 120,000) are 2008 and 2007 and the lowest values are recorded in 2009 and 2010 (below 70,000 overnight stays). Starting with 2008 the touristic flows intensify also in hostels (approx. 7,000 overnight stays), touristic villas (7,000-8,000 overnight stays) and urban boarding houses (approx. 4,000 overnight stays).

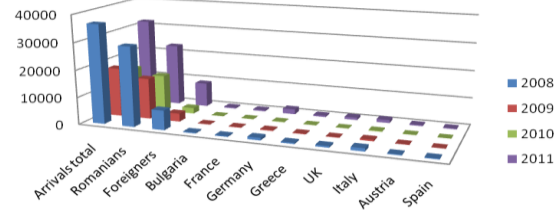
These two indicators show the following tourist segmentation: the hotels are preferred by tourists who come for business purposes or for attending certain cultural, scientific events and festivals in the city – a constant flow with requirements for a high degree of comfort; the motels are used by transit tourists (Romanian and foreigners) – a constant flow with a requirement for a low-average comfort and the hostels and touristic villas are used by young tourists with adventurer, explorer tourist behaviour and a low budget – creating a sporadically flow that adapts to all conditions (Cristureanu, 2006). Due to the tourist flows preference for the accommodation in hotels in the city, the situation of arrivals and overnight stays by type of stars (Figure 8) is as following:

- High arrivals and overnight stays (2008, 2009, 2010) in the 2 stars hotels;
- In 2011\* a higher value of the two indices in the 4 stars hotels (\* data from 2011 is not yet concluded).



**Figure 8 – The evolution of arrivals and overnight stays in hotels (2, 3, 4 stars) in Craiova (2008-2011)**

The number of foreign tourists in the city is low compared with the number of Romanian tourists, the foreigners' flows being of approx. 5,000 to 10,000 persons/year, with a clear increase in 2011 (Figure 9).



**Figure 9 – The foreigner tourist flows in Craiova (2008-2011)**

Most of these tourists can be classified by origin as follows: Italians, Germans, French, British, most of them practicing business tourism, the industrial engine of the city being the Ford company which has a high number of foreign employees from the above countries, or these foreigners come to visit their relatives and friends in Craiova.

### 3. Tourism market trend

From a previous survey conducted in the city during 2010-2011 on 350 respondents (Bădiță, 2012), over 50% of respondents (198 persons) would visit Craiova because of personnel, cultural and training reasons, because they want to visit the historical and cultural sites of the city, and because of the affordable prices in comparison with other touristic areas, most of them visiting the city during the weekend. Over 40% of respondents know the city from friends, internet, media, and would accommodate at a hotel or at friends/relatives.

The statistical data was processed by calculating the synthetic indicators (Table 2) resulting the current tourism diagnosis of the city.

**Table 2 - The qualitative synthetic touristic indicators in Craiova (2001-2010)**

	Synthetic Indicators	UM	2001	2005	2008	2010
Indicators of tourism supply	Tourist Function	%	0.24	0.31	0.41	0.47
	Supply density	%	9.3	11.4	15.0	17.3
Indicators of tourism demand	Tourist density (in relation to population)	%	13.20	13.19	18.99	8.31
	The average length of stay	days	1.92	2.06	2.38	2.29
	Index of net using the touristic accommodation capacity in operation	%	28.94	24.10	29.30	11.14

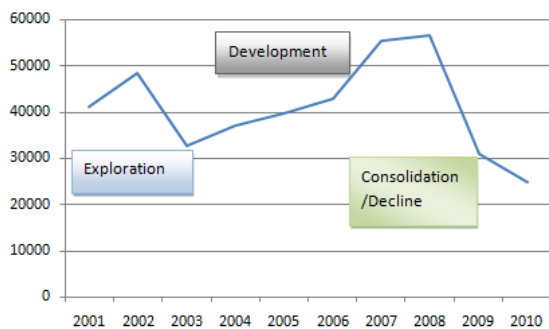
Source: own calculation according to the data from Dolj Department of Statistics



The indicators reveal low values both for the supply: tourist function and supply density with values below 50%, but with an upward trend between 2008 and 2010, and for the demand, which has low values below 30%, with a downward trend between 2001 and 2010 for tourist density and the index of net using the touristic accommodation capacity in operation. However, the average length of stay recorded an increasing value from 1.9 days to 2.3 days in 2010.

The contrasting situation highlights a longer length of stay, leading to the formation of a tourism during weekend in the city, the supply being in a continuously increase, with a high urban potential, although the tourism demand in the city still remains low.

The Butler's model was used for Craiova destination to determine the tourist activity prognosis (Figure 10). Taking into account the 5 stages (exploration, development, consolidation, stagnation, decline) of TALC, a prognosis model was developed for Craiova.



**Figure 10 – Butler's Model applied for Craiova destination**

Using the dynamics of tourists' number during 2001-2010 a graph was created according to Butler's model. The following stages of development resulted:

- *Exploration stage*: between 2001 and 2003 when the tourist flows reached 30,000-50,000 tourists; the stage when tourists learnt about the destination;
- *Development stage*: between 2003 and 2007 when the number of tourists increased up to 55,000 tourists, thus the tourist flows in this destination became constant;
- *Consolidation stage*: 2007-2008 when tourist arrivals grew rapidly to 56,500 tourists;
- *Stagnation / decline stage*: between 2008 and 2010, the tourists' number drop to 25,000 in 2010 due to the economic context - the financial crisis.

The model falls into the general pattern of the tourist development of this destination, with an upward trend until 2007, marking a tourist

development peak in 2007 and 2008, and a downward trend starting with 2008 until 2010.

Thus the Butler's model applied for Craiova shows an urban destination in a stagnation stage in 2008 which reaches in 2010 a critical stage of decrease, marking an incipient phase of decline. Depending on the destination development in the next years, Craiova may consolidate its position on the market or may very easily decline.

## CONCLUSIONS

The tourism market consists of supply and demand and is based on production – exchange – consumption processes, being actually part of a touristic system which is located in a geographical area but which is closely connected with the community and respectively with the stakeholders (Russo, 2002).

Tourism takes the form of an iceberg where the tourism economy includes the Travel & Tourism industry, and the tourism product, i.e. the destination, begins to be considered a complex one: due to the bundled consumption, "localized" consumption and „experiential" goods, tourists become prosumers (Russo, 2002). Thus tourism generates social and cultural externalities and it can be considered an urban function, being dynamically incorporated into the local and global society and inter-relating with other urban functions.

Craiova's touristic model shows a destination in a development phase, with a high potential offer, but still with low demand, lack of capitalization of the real urban tourism potential. It results a "model of tourist concentration" in the city's center that has advantages as: an effectiveness of visitor management, a low cost alternative for development, a better control over tourism development, but also some weaknesses as: low quality of touristic services, growing the tourism pressure in the city center, under-utilization of the outskirts resources.

The lack of vision for the future development requires a clear strategy for tourism development in the future, so the city supply must be converted into opportunities by re-focusing on the role of cultural heritage, current supply diversification, involving the local actors, restructuring the tourism sector through an appropriate marketing and diversified tourism products.

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