

VALORIFICATION OF THE TOURISTIC POTENTIAL AND OF THE INTELLECTUAL CAPITAL WITHIN THE HOSPITALITY INDUSTRY - CASE STUDY ON THE TOURISTIC AREA OF SUCEVITA – ROMANIA

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Abstract

This study shows how the entrepreneurs in the Sucevița tourism area managed to build their business and how they try to fit it within the whole area, taking into account existing natural and manmade touristic potential.

The study focused on four objectives which aimed at: knowing the motivation for the establishment and development of tourist activities, quantifying the influence of formal education and practical experience on managing a business in tourism, finding out how the tourism entrepreneur is aware of the potential area Sucevița and how it can be sold, knowing the role and place of infrastructure, and relational capital.

The four objectives were reflected in a questionnaire that was used as a tool in the investigation on a sample of tourist facilities in the mentioned area.

Key words: *Statistical inquiry, Intellectual capital, Touristic potential, Sucevița.*

JEL classification: *L83*

1. INTRODUCTION

This research aims to highlight the basic idea of how we can use intellectual capital as a driving force for tourism development in Suceava. For this study, the concept of organization has been extended to administrative-territorial unit Sucevița.

The investigation based on questionnaire aimed at identifying and defining the context of the following items already mentioned, considered as integrators in the hospitality industry of Sucevița:

- Leadership reflected overall in the region, but also differently for each unit of accommodation in range;
- Local management, local authorities management and housing units management;
- Hospitality within the housing units in Sucevița area;
- General infrastructure in Sucevița area.

1.1. Theme importance

An individual's knowledge receives operational value when are transmitted and used at macro level, within an organization, housing unit, respectively on a regional level. In the context of this paper we consider individual and regional knowledge in connection with individual and regional cultural values. We consider that the valorisation of the touristic potential (cultural and historical) may be undertaken mainly by each housing unit management but with the support of local leadership – oriented towards reviving and promotion of these values.

We argue the relevance of the approached subject within this paper basing on the following ideas. Intellectual capital represents the sum of what each employee/individual knows inside a company and that may be used to develop the competitive capacity (Stewart, 1999). Thus, intellectual capital is formed also with the aid of that knowledge which may be transformed into value, from economic point of view, for the organization. Intellectual capital contains elements with tangible form (i.e. patents, licenses, trademarks, etc.) as well as intangibles (i.e. knowledge and information, cultural values, etc.).

Intellectual capital helps to consolidate a local brand, without which we cannot talk about survival or prosperity in Bucovina / Sucevița, because there cannot be professionally satisfied the needs of clients, tourists, investors, competition, etc. A country's/region's/organization's brand is the sum of components efficiencies as: vision, intelligence, character, human resources, market potential upon which have to be exercised some driving forces. Intellectual capital enables development on many levels, different from the one determined by the economic growth. Intellectual capital means culture, heritage and traditions that confer wealth, dignity, respect and additional quality of everyday life to the region. We sustain the novelty character of the research through the approach that connects the components of intellectual capital and of integrators within the values oriented tourism context. In our perception the intellectual capital potential of the area may be transformed in positive results throughout the synergy affect of integrators. In our case we identify

the integrators as system elements: leadership, local management, hospitality and infrastructure.

The concept of integrator was introduced to the Romanian literature by professor Brătianu with the meaning that an integrator is "a strong field of forces, capable of combining two or more elements into a new entity. These elements may be physical or virtual and they must have the capacity to interact in a controlled manner" (Brătianu et al, 2010).

Brătianu (2010) proposes that inside a business organization, in this case an accommodation unit should act as integrators all the following components: technologies and processes, leadership, vision and mission, organizational culture, and not separately but together. It is difficult to perceive that these elements should be indivisible, so for each employee and for the organizational level, that they should only act together and interact continuously with each other and with the external environment. When we talk about knowledge processes, be it storage, creation or use, we must consider the phenomenon of synergy and its effects. Two, three or four added knowledge will not generate a fixed sum outcome, even if we succeed in the first instance to discuss them as defined and separate entities. Knowledge will increase in direct proportion to the force of integrators and exponentially if it maintains the phenomenon of synergy. We strengthen the idea presented above suggesting that a strategic management perspective should refer also to the synergy between human and technological elements necessary for the survival of the organization. In order for the synergistic effect to materialize into positive results at the organizational level the management process itself becomes an integrator by nature. Ultimately the management process will become a result of organizational integrators intensity, i.e. in the region: 1.technologies and processes 2.leadership, 3.vision and mission 4.culture. Dynamic perspective is required to understand how these integrators evolve and grow, whereas from a linear thinking perspective, the interaction between the same elements will generate the same effect at any time / situation. But integrators have "the ability to interact in a controlled manner" and thus to evolve, enhancing effects. The research results presented in this paper bring up the current state of these concepts that reality reflects. Research purposes and therefore the work's were to determine and present the dimension of the tourist potential of Sucevița, identification and use of intellectual capital across the region and identification of existing or future action of the integrators.

2. RESEARCH METHODOLOGY

Based on the above aspects, the research team formulated hypotheses and objectives for the survey conducted on a questionnaire. Below we present the objectives and hypotheses set out in the study:

O.1 Knowing the motivation for the establishment and development of tourist activities;

I.1.1 Tourism business in Sucevița area were originally the result of local initiatives of individuals or families;

I.1.2 Subsequently, the establishment and development of business tourism in the Sucevița area were based on obtaining financing from credit institutions or accessing European funds;

I.1.3 Outstanding tourism potential of the area has attracted investors from other parts of the country.

O.2 Quantifying the influence of formal education and practical experience on managing a business in tourism;

I.2.1 Experience of the Sucevița tour operators on national and international level influenced the style of business management in tourism;

I.2.2 Professional education of Sucevița tourism operators led to better business management in tourism.

O.3 Finding out how the tourism entrepreneur is aware of the potential in Sucevița area and how it can be harnessed;

I.3.1 The potential in the area is acknowledged by most tourism operators in Sucevița, but their focus is mainly the religious component;

I.3.2 Operators in Sucevița are considering increasing the length of stay of tourists and are concerned about diversification of the tourism offer.

O.4 Quantifying the role and place of infrastructure (general, specific) relational capital (relationships with City Hall, associations and other authorities, specific institutions that support business development in tourism);

I.4.1 Accessibility in the area is an advantage of development for tourism businesses;

I.4.2 Relational capital structure has a defining contribution for tourism business development;

I.4.3 The association of tourism operators in Sucevița favored tourist promotion unit, accompanied by an increase in visibility.

In developing the questionnaire on which respondents were interviewed in the study worked together a team of 5 academics, for 1 week. Initially the questionnaire contained 20 items, and after a preliminary test on a number of five hostels and analysis of the results, some questions were restructured so that validated questionnaire contains 23 items. The sample involved in the research is represented by the tourist reception units with accommodation functions from Sucevița. This sample was created based on data provided by Hall Sucevița regarding the number of registered accommodation establishments in the Sucevița area, which was sized at a volume of 50 units. The questionnaires were completed by direct interview of subjects with respect to the tourist housing unit. The investigation lasted seven days in which the research team went to the field and interviewed an average of 5 owners /

managers of accommodation units, as an intervention took an average of 30 minutes duration.

The research team chose to move to locations in the territory to be able to assure the survey results and get additional information based on observation and analysis of the attitude of those interviewed.

Processing of the results was performed in SPSS statistical analysis program version 15 and has thus obtained different correlations to confirm or deny initial hypotheses.

3. ANALYSIS RESULTS

In the study agreed to answer questions in the questionnaire representatives of 43 tourist units, 39 hostels and 4 hotels, classified into the following categories:

- 2 daises / stars 65.1%;
- 3 daises / stars 23.3%;
- 4 daises / stars 11.6%.

Most respondents, 89% had ownership of these units, but there were situations that we talked either to the administrators or to the managers of hotel units.

Educational profile of the interviewed person

Analysis of educational profile of respondents (Figure 1) revealed that 81% of them had secondary education and 19% have completed a university program.

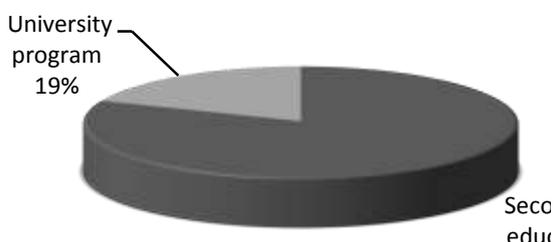


Figure 1 – Educational profile

Among those who have only secondary education, 57% have completed a training course in tourism (pension administrator or manager in tourism activity). For people with university education was found that all considered necessary also graduation of courses like those mentioned above. 86% of those who have completed such courses have used their funding sources and the remaining 14% received the support of European funding programs for human resources development.

Following the completion of these courses the personal gain declared by respondents was (Figure 2):

- For 62% - knowledge gathering / accumulation;
- For 23% - obtaining a graduation diploma.

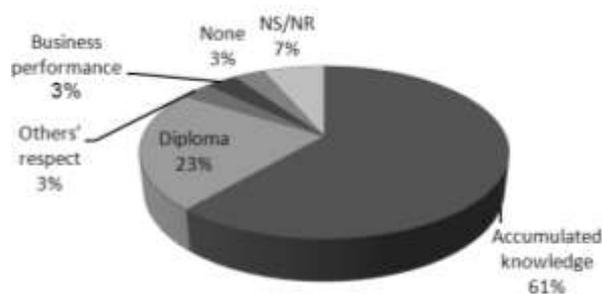


Figure 2 – Which was the greatest personal gain after graduating the courses?

The motivation for the establishment and development of tourist activities

Among the issues that motivated entrepreneurs to open a business in tourism, according to their statements, we can mention:

- The desire for professional achievement;
- Passion for rural tourism;
- The need to achieve a decent living;
- Financial availability;
- The desire to gain profit.

Related to business organization and management, these are primarily the result the of the following mentioned factors:

- The tourism potential of the area;
- Examples of good practices taken from other areas;
- Own views and beliefs of entrepreneurs.

To a smaller extent counted the following factors:

- The support and openness offered by family;
- Experience in the field considered;
- Experience in a related area;
- Experience abroad;
- Experience as a tourist;
- Application of knowledge acquired during years of study;
- Improvement (adaptation) of models displayed in some courses;
- Association with partners in other regions of the country or EU Member States;
- The support of European funding programs.

What is also curious and disturbing is that only one respondent who completed a training course from those above managed to find the knowledge gained as support for the establishment / development of such business.

This problem was exhibited at the interview by the leader of the Local Tourism Association in Sucevița meaning that training actions and exchange of experiences made during the last three years had no significant beneficial echoes and in conditions of crisis, when the number of tourists is continuously decreasing, the interest of tourism entrepreneurs becomes increasingly limited / focused over the financial aspects only.

The touristic offer and the value oriented tourism

Analyzing responses to the tourism offer and value oriented tourism respondents provided as the main entertainment option:

- In 56% of cases visiting the Sucevița Monastery and retreat spiritual;
- In 23% of cases to try ecological products specific to the area (traditional).

Among the existing attractions within Sucevița, the major ones indicated by respondents were:

- Parish Church, called also Cemetery Church of Sucevița;
- Crafts practiced by the inhabitants of Sucevița;
- Costumes and customs specific to Sucevița village;
- The natural and panoramic areas (landscapes);
- "Palma" monument in Ciumârna Pass;
- Sucevița Monastery.

When asked how they would improve the existing tourist offer, most proposals were:

- Promoting traditions in a innovative way (unprecedented);
- Creating local stories / legends that would raise interest;
- Configuration of thematic trails/ranges.

By correlating the responses to questions about graduation of specialization courses and how you would improve existing tourist offer it can be seen that those who have completed specialized studies see as key ways to improve the offer:

- Promoting traditions in a innovative way (unconventional);
- Presenting a virtual tour of the guesthouse (zoom 360°).

Relational capital

Expectations of owners of tourist facilities on the tourism sector support goes mainly to:

- Central Authorities (Tourism Ministry, Legislation, etc.);
- Local authorities;
- Tourism associations;
- Friends / collaborators.

We further note that entrepreneurs want that the state sector, by central and local authorities to intervene more in supporting their work. So far the main benefits that these entrepreneurs recognize them as the result of intervention by central / local are:

- Advertising;
- Providing proper signalization/markings of the housing units;

- Providing proper signalization/markings of the touristic objectives and ranges.

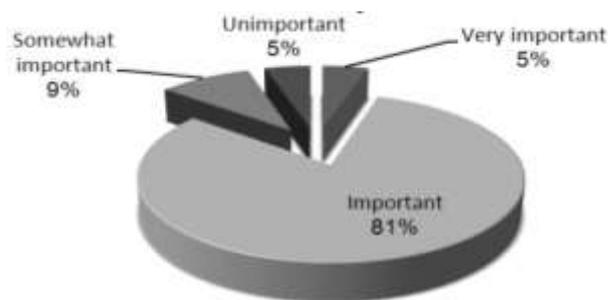


Figure 3 – How important is the association of entrepreneurs in the hospitality industry for the development of tourism in Sucevița?

Given that 85% of respondents consider as important the association/collaboration of entrepreneurs in the hospitality industry in order to develop tourism in Sucevița, it's interesting to look at how entrepreneurs in the tourism sector in Sucevița manage to develop this cooperation. Gathered responses are grouped around the following aspects:

- Joint promotion;
- Joint offers for tourists;
- Creation and maintenance of recreation areas and walking trails.

Formal association of entrepreneurs in the hospitality industry is reflected in Sucevița area within the following organizations:

- Association for Tourism and Local Development "Sucevița";
- Bucovina Tourism Association.

Among the advantages of membership of these associations we have been declared the following:

- Uniform promoting of Sucevița area;
- Excellent way to exploit existing skills and resources;
- Improve the quality of tourism products and services;
- Exchange of experiences and best practices;
- Preservation of local traditions and crafts;
- Safety for tourists.

It is also important to note that approximately 50% of respondents said they did not collaborate with any travel agency.

Regarding the efficiency of their work, about 74% of tourist facilities representatives said that their work brings profit, but just enough to be able to work in decent conditions and usually (in about 80% of cases) the profit is reinvested in the material or promotion components.

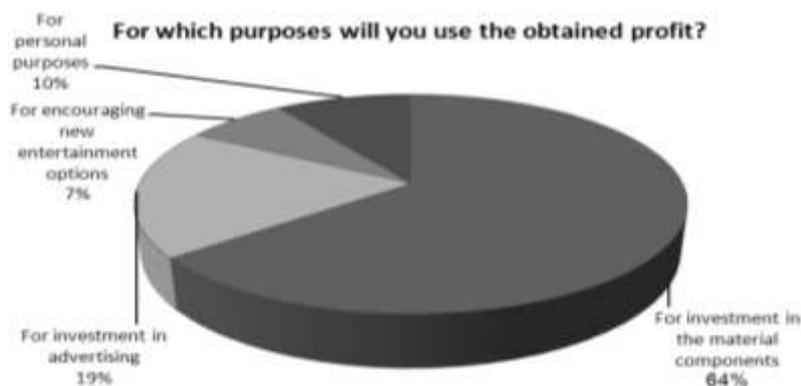


Figure 4 – For which purposes will you use the obtained profit?

4. CONCLUSIONS

Grouping the responses received from respondents depending on the objectives and hypothesis set, we can conclude the following:

a. The motivation for the establishment and development of tourist activities in the tourist area Sucevița started as local initiatives due to individual desire of valorising natural and manmade attractions of the area. Regarding the individual entrepreneur in tourism, the motivation sprang mainly from the professional development desire and passion for rural tourism. No items were identified to indicate the emergence of tourism investors in Sucevița area coming from other parts of the country, respectively, from abroad.

Up to a point, this can be a good thing because it can better preserve authenticity of the area. As long as there is a clear formal regulation on the need to preserve authentic architecture for tourist facilities and to integrate into the pattern of the area or local integration of gastronomy within the offer of tourist facilities, the fact that we find not, yet, foreign investors could be a guarantee of maintaining authenticity.

However, a worrying aspect is that of attracting European funds in order to strengthen the tourism units' offer or promotion. Actions in this respect were shy at both the individual entrepreneur in tourism and at professional association level.

b. On quantifying the influence of formal education and practical experience on managing a business in tourism we could observe that all entrepreneurs in the tourism area Sucevița have completed at least secondary education and for those who have only high school graduation 57% of them attended a vocational training course in tourism (pension administrator or manager in tourism activity). It should be noted however that only one respondent who completed a training course from those mentioned above managed to find the knowledge

gained as support for the establishment / development of such business.

c. From the survey results we may confirm the hypothesis that the potential is acknowledged by most of the tourism operators in Sucevița, but their focus is mainly on the religious component. In 56% of cases, the owners of tourist facilities recommend tourists to visit the Monastery Sucevița and spiritual retreat. Other entertainment options are seldom promoted by those involved in tourism.

Although within the last three years, in Sucevița Village have been implemented a number of European funded projects that aimed at diversifying the tourism offer of the area (it was created an active tourism park that includes Nordic walking trails and mountain biking, were published maps of these routes and various promotional materials) the tourism entrepreneurs, mostly, do not seem eager to diversify the tourism offer displayed for tourists. This is worrying and will not allow increasing the length of stay of tourists, namely, their return to the area.

d. 85% of respondents consider as important the association/collaboration of entrepreneurs in the hospitality industry in order to develop tourism in Sucevița. Formal association of entrepreneurs in the hospitality industry of Sucevița area is reflected within the following organizations:

- Association for Tourism and Local Development "Sucevița";
- Bucovina Tourism Association.

We observe, however, the fact that entrepreneurs in this sector want the state through local and central authorities to intervene more in supporting their work. However, approximately 50% of respondents said they did not collaborate with any travel agency.

The present research will be continued during the following years, the research team is interested to capture and highlight changes in the entrepreneurial behaviour of unit holders from the chosen pilot area.

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