

MANAGEMENT OF ICT – VIABLE BUSINESS STRATEGY FOR THE ROMANIAN TOURISM MARKET

Andreea MANOLIU

*Academy of Economic Studies, Bucharest, Romania
manoliuandreea@yahoo.com*

Adina-Gabriela CROITORU

*TotallyH – Total Hospitality Services, Bucharest, Romania
adina_gc@yahoo.com*

Abstract

The Romanian tourism industry has an increasing importance over the economic growth and it currently represents one of the best opportunities to create revenues and workplaces for the country. However, the competitive advantage no longer relies on the natural potential; it is gradually replaced by the anthropical one, represented mainly by science and the information and communication technology (ICT). Therefore, an important topic in relation to changing and renewing the tourism industry regards the use of the information and communication technology. What seems to be necessary for tourism is an intense familiarization with the consumers' needs and preferences, as well as a quick and fictional approach of the way in which these needs could be met in a more efficient, more attractive way. The use of ICT among the specialized economy agents becomes a strategic priority for the Romanian market, its extremely beneficial effects being well-known for the performance of the sector.

Key words: *Business strategy, Information and communication technology, Romanian tourism market.*

JEL Classification: *L83, M15, O32*

I. CONTENT

The information and communication technology (ICT) currently represents one of the major issues when it comes to the development of a country's economy; therefore, the global tourism industry, an extremely dynamic sector, is seriously influenced by quick changes in this area. However, up to this moment, only a few studies were made in order to examine the adoption rate of the Internet and the information and communication technology (ICT) in the Romanian tourism industry, as well as to estimate their impact on the structure of this industry.

The economic growth in Romania is increasingly due to the tourism sector, which seems to represent one of the most important sources of revenue and workplaces. The development of the Romanian tourism, however, cannot be considered as guaranteed. We can indeed notice the continuing growth of the number of tourist destinations and we can talk about an improvement of the quality of the existing ones, but we cannot overlook the great pressure that appears on those responsible for the Romanian destinations to find new, better ways to compete on the tourist market and, at the same time, do that in a sustainable manner. Why sustainable? Because we must never exclude the negative impact on the environment, culture and the Romanian way of life and this is the main reason to advocate a sustainable development of the Romanian tourism.

New forms of tourism penetrate the traditional ones, so that the competitive advantage no longer relies mainly on the natural potential, but it is replaced by the anthropical one, focusing on science and, more recently, on the information and communication technology. The new tourism industry shall take into account the complexity and the segmentation of the tourist demand, the increased flexibility of the supply, distribution and consumption, and the discovery of new sources of profitability in the context of this sector.

Nowadays, the main area in relation to the changing and renewal of the tourism industry is represented by the use of the information and communication technology.

The Romanian tourism industry has followed a similar pattern for the development of ICT applications as Eastern Europe had. The development began with airlines, extending later to hotels, touroperators, tourist attractions and also to the management of tourist destinations, the first two listed being those which imposed as leaders in this respect. It is true that airlines and hotels are, unlike the others, ripe and that they have developed in recent years in relation to the adoption and awareness of the ICT importance.

For the Romanian tourist market, the use of ICT among the specialized economy agents becomes a real strategic priority, thanks to the great benefits in terms of increasing the efficiency and the effectiveness of production and distribution processes and, more particularly, the connectivity with a large audience.

At European level, Romania has insignificant positions from the point of view of ICT use in all

sectors and, therefore, also at the tourism sector level and adjacent services. Below, we will present the main

causes that contribute to the low-rate implementation of ICT in the Romanian tourism industry.

Table 1. ICT use in all sectors in Europe

Indicator	1 st place	Romania's place	Bulgaria's Place	Hungary's Place	Ukraine's place	Croatia's Place
The accessibility of new technologies	Sweden	117	98	55	80	54
Public acquisitions of high-technology products	Qatar	114	81	110	97	129
Bandwidth for internet	Hong Kong	13	23	79	85	-
Access to digital content	UK	57	72	26	44	47
Fixed rate for internet bandwidth	Israel	12	52	77	6	41
Subscription for internet bandwidth per 100 inhabitants	Switzerland	40	38	28	69	36
Use of virtual social networks	Iceland	73	82	77	92	90
Use of the internet in the B2C transactions	UK	41	64	58	68	72
Use of the internet in the B2B transactions	Finland	86	96	66	80	52

Source: Adaptation and elaboration after the Global Information Technology Report 2013

With respect to infrastructure and digital content characterized by the level of ICT infrastructure development (including mobile network coverage, Internet bandwidth, access to digital content), Romania ranks 47 out of 144 countries, with a value of 4.6 points.

As for the access to ICT, the assessment is related to the cost of access to the information and communications technology, as well as the competitiveness of this sector and the Internet telephony, which causes this cost, Romania having a value of 5.2 points, position 62, the first place being occupied by Finland.

Starting one year ago, bandwidth values offered to Romanian customers have come closer to what the top countries can offer. Hong Kong is on the first place, Romania ranks 13 out of 144 countries, offering a large working speed of 100-120 MBs, as compared to Bulgaria - 23, Hungary - 79 and Ukraine - 85.

Even if Romania occupies a good place with respect to the fixed tariff for the Internet bandwidth (12th place), relatively low tariffs for access to the Internet broadband fixed points and the competitiveness of the sector, as well as the telephone and the Internet, it can be observed that the number of broadband Internet subscriptions remains relatively low (40th place) due to the lack of infrastructure and to the low economic and educational level of the population. The usage of Social Media or virtual networks for private or professional purposes places our country on the 73rd place in the top, but before neighboring countries, followed only four places away by Hungary (77) and Bulgaria (82).

The use of ICT in the business environment, through the two B2C and B2B variables, brings out the relatively low ability of Romanian companies of using the information technology effectively with the purpose of obtaining yields and innovations in their workfield, Romania ranking the 86th place. However, from the

point of view of the Internet use in transactions and daily operations, it shall be noted an encouraging place (41st place), showing that the e-commerce market in Romania is a dynamic one and with an upward trend.

Statistics demonstrate that Romania has important perspectives from the environment infrastructure's point of view; it still undergoes a lack of coherent governmental vision from the point of view of adequate regulation and development of the ICT. Exploiting the existing technological potential and the low degree of ICT deployment are prevented by the unstable, critical political and economic environment frame. As well, the investments in ICT and in career development for tourism employees are the point of departure in the reduction of the disproportions between inputs and outputs.

The advisers' strategy with regard to ICT courses and students' career could be extended to improving the research and marketing, as well as a new approach to a dual purpose: to treat the preconceived ideas regarding the nature and purpose of labor and ICT occupations on one hand, and to improve students', teachers', counselors' and parents' understanding of the study and career opportunities in ICT on the other hand.

The generalized and horizontal introduction to ICT in the productive processes can also serve not only as a method of innovation with respect to traditional means and techniques for production and marketing of goods and services, but it will also provide improved relationships and interconnection between companies. (<http://www.fonduri-ue.ro/poscce/>) ICT investments represent a precondition in order to stimulate demand and, as a general rule, to create an attractive environment for both companies and citizens.

This strategy will focus on small and medium-sized enterprises, on their innovative potential and

adaptability to the requirements of the market, but it will also address large enterprises.

Increasing the degree of involvement into the management of their employees' organizational skills as an essential investment, with direct contribution to the performance of carried out activities, is the key strategy, on medium and long term, with direct impact on competitiveness improvement of the Romanian tourism.

We are talking about new skills, which tourism organizations should develop, i.e. active communication skills, leadership, relational psychology etc. In this new context, a priority matter appears – the continuous training of staff, but also the ability of organizations to keep employees with real competencies within this domain.

Another problem specific to the current period appears, namely the one linked to using employees' time in order to prepare them, a stage which consolidates their training and continuing training. In this context, the only option that employers have is related to the online technology use for the creation and development of "e-skills", by accessing e-learning platforms.

The ability of organizational support represents the efficiency key to such training programmes and we can say that only organizations that will realize the importance of e-learning by creating and developing partnerships with suppliers of training will be the ones that will succeed to generate performance in the field, in real-time.

The specialist Frechtling (2004) asserts in his study that there is low communication and knowledge transfer in tourism, both at the level of units and between the academic communities and the operators and managers of private and public sectors responsible for the development of strategic action in the travel and hospitality industry. (Frechtling, 2004)

Awareness of such problems on the market, both by educational institutions and organizational management of the tourism industry, represents the true challenge of the current period from the point of view of what tourism will be in 2020.

A strategy focused on people facilitates higher levels of customer service and allows companies to compete on the grounds of knowledge, relationships and service, not only price. We believe that we can appropriately talk either of the strategy offered by keeping people and their involvement in professional development, or by looking for the elimination of some employees and their replacement with advanced technique, aiming at lowering costs.

Following the analysis carried out for all activity domains, in Romania, orientation towards courses and ICT career is urgently required, carried out by means of a better information and counseling of pupils, students and employees. Authorities have a key role in sustaining ICT skills development within the

compulsory education system and represent one determining factor (along with the educational institutions, business and individuals) in order to ensure the necessary frame to encourage the training of these skills at a high level, within vocational training and further acquisition of knowledge in the industry of ICT during the entire lifetime.

For this purpose, policies should include the following:

- Exceeding the basic connectivity and training stage in ICT, in order to facilitate a wider uptake and the use of advanced ICT applications and e-business absorption by companies;
- Encouraging the use of wide widely accessible, high quality bandwidths to sustain their competitiveness;
- The strengthening of trust infrastructure, of security, privacy, and consumers' protection
- The strengthening of the government and private sector's role in improving basic skills in ICT and the development of the frame as to encourage a level of higher ICT skills training and e-business, in collaboration with educational institutions, businesses and individuals.

At present, the main issue for the tourism sector is better awareness of the consumer's preferences, especially in the expertise markets, and an adequate approach on the way these needs can be efficiently and attractively met, by means of online travel and in a user-friendly manner. Different strategies of *direct response marketing* underlined the lack of a proper promotion of online marketing. On the other hand, the decision-making process in case of buying a tourist package is more complex than in the case of other services, which means that promotion investments are necessary long before. For example, consumers start looking for summer holidays packages as early as on the end of winter and this is why the results of marketing efforts do not appear immediately.

Travel agencies should also promote an English version of the site, a logical foundation of the categories and a maximum of three seconds charging time of the pages.

The strategy for e-mail marketing should be aimed at personalized and relevant messages and the recipients of the e-mails need to be divided into categories: potential and active customers.

Agencies should start Pay-Per-Click campaigns on Google and target the audience both on Search, as well as on the Display. It is more than obvious that the growth potential of the online travel industry is huge, although some agencies avoid expanding on this side. It is inevitable that in a few years they will disappear – the domestic consumer has entered into the digital era with a fabulous speed and there is no sign that he would want to go back offline.

Some online tourism sites allow visitors to compare the hotel and flight fares of several companies for free. They allow complex search through packages of tourist services upon facilities, prices and the proximity of a city or of an attraction point.

Further development of e-tourism in Romania will depend on how well issues and specific points will be dealt with and on how long will the process take. It will certainly take some time for Romania to reach a level of e-tourism development and the use of the Internet equivalent to the present stage of North-Western Europe.

Considering the way the government can influence the economic development, related governmental authorities in tourism can influence the direction and speed of development of e-tourism in Romania.

However, taking into account the important potential of the market in Romania, it is reasonable to adopt a full of hope and positive position with regard to the development of e-tourism in the future.

The situation has already changed with an increasing speed. Raising the IT awareness and demand on this market will lead the Romanian tourism into an intensive IT age and, finally, into an e-business age.

CONCLUSIONS

In conclusion to all we have shown above, we could also make some recommendations for decision-makers, entrepreneurs and practitioners in the Romanian tourism industry, as follows:

- The Government should develop a national vision, a strategic plan and policies for e-tourism activities;
- Development of e-tourism strategies should involve all those who participate into the tourism business;
- Both political decision-makers and entrepreneurs should work together in order to increase the awareness of e-commerce by training and education for interested parties, employees and consumers.

E-commerce cannot be implemented without delegating powers and enabling interested parties in the tourism sector to take advantage of the new technologies of the Internet and e-commerce. Promoting tourism over social networks (e.g. Twitter pages in different languages), promoting major tourist objectives, organizing Social Media events with international bloggers known as providing a competent view to promote tourist objectives, developing partnerships with neighboring countries with the purpose of creating virtual tours and web pages of Eastern Europe represent viable alternative methods of adapting the entrepreneurs in tourism to specific rapid changes of the information and communication technology.

ICT management viability is confirmed by the results obtained by leaders in the regional and international tourism field. Extending the ICT management implementation of the Romanian tourism at international level does not represent anything else than a strategy of performance sustainability of the industry-specific business.

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