ROMANIAN ECONOMIC AND BUSINESS REVIEW

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CONTENTS

BUILDING A SUSTAINABLE FUTURE:
ROMANIA'S PATH TO SUCCESS IN WELLNESS TOURISM

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Abstract

The article explores the evolution, impact, and future potential of wellness tourism, a rapidly growing sector that integrates health, well-being, and holistic practices. Tracing its origins back to the 1950s, the term "wellness" has expanded through the contributions of key figures like Halbert L. Dunn, Don Ardell, and Dr. Bill Hettler, each promoting a multidimensional approach to well-being that includes physical, mental, social, and spiritual health. The growing global interest in wellness tourism is driven by an increased demand for personal health, self-care, and the transformative experiences it offers.

The study highlights how wellness tourism, historically rooted in ancient healing practices such as those of the Greeks, Romans, and Egyptians, has adapted to modern trends. It now covers a wide range of services, including yoga retreats, detox programs, and holistic therapies. The integration of traditional practices like Ayurveda and Chinese medicine with modern digital innovations has helped the sector expand globally, offering tourists personalized and immersive experiences.

Focusing on Romania, the article emphasizes the country's rich tradition of balneotherapy and its potential to modernize and compete in the global wellness tourism market. Romania's natural resources and established spa destinations provide a strong foundation for growth. However, further investments in infrastructure, digitalization, and workforce training are necessary to enhance service quality and international competitiveness.

In conclusion, the article argues that wellness tourism, supported by technological innovation and cultural heritage, holds significant potential for Romania's tourism industry. With the right strategies in place, Romania can emerge as a top destination for global wellness tourists, contributing to the country's economic development and international recognition.

Keywords: wellness tourism, global market, spa destination, resources, digitalization

JEL Classification: L83, O1, O2, R53, Z300, Z380

1. Introduction

This paper explores the dynamic growth and transformative potential of wellness tourism, a sector that combines health, well-being, and holistic practices. Beginning with an overview of the concept's historical evolution, the study examines global trends and their integration with traditional healing methods such as Ayurveda and balneotherapy. The paper highlights Romania's unique position

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in this market, emphasizing its natural resources, rich balneotherapy tradition, and potential for modernization to compete globally.

Key challenges are identified, including outdated infrastructure and workforce training, alongside opportunities in digitalization, sustainability, and cultural heritage integration. The structure of the paper follows the historical evolution of wellness tourism, the role of Romania in this sector, the impact of digitalization, and future strategies for sustainable development. Ultimately, the study argues that wellness tourism can position Romania as a global leader while contributing to economic growth and cultural preservation.

2. History and evolution

Wellness tourism represents a fusion of ancient traditions and contemporary trends that have shaped the industry as it exists today. Although it has deep historical roots, the concept of wellness tourism was first defined by figures such as Halbert L. Dunn, Don Ardell, and Dr. Bill Hettler. One of the most notable philosophies, Dunn's in the 1950s, emphasized the importance of "balance between body, soul, and mind" (Dunn HL, 1959). The fusion of cultural, social, and economic influences has transformed wellness tourism into a global phenomenon, meeting the growing demand for holistic well-being experiences.

Wellness practices can be traced back to ancient civilizations such as the Greeks, Romans, and Egyptians, who believed in the healing properties of natural springs, mineral baths, and therapeutic massages. These early wellness practices aimed not only at curing physical ailments but also at achieving balance in mind, body, and spirit.

Over time, this type of tourism evolved in response to shifting cultural, social, and economic trends. By the late 19th and early 20th centuries, wellness travel gained popularity in Europe, with the emergence of spa and retreat destinations offering holistic and healing experiences. This trend spread globally, and by the 21st century, wellness tourism was driven by factors such as increasing personal health awareness and the growing interest in self-care.

Additionally, the industry has increasingly integrated traditional and indigenous healing practices from various cultures, enriching the landscape of wellness tourism. From Ayurveda in Asia to traditional African therapies in Africa and Latin America, these practices have become key elements in creating authentic and transformative travel experiences.[1] As wellness tourism continues to evolve, there is a growing recognition of the importance of preserving and respecting these traditional healing practices. Traditional medicine (hereinafter "TRM") includes knowledge and practices either codified in writing or transmitted orally (M. Carlos, M. Correa, 2002).

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[1] Gobal Wellness Institute, History of wellness, https://globalwellnessinstitute.org

Efforts to preserve traditional practices involve several strategies, such as:

– *Cultural preservation*, through collaboration between governments, local communities, and wellness tourism operators, focusing on safeguarding and protecting traditional healing knowledge and cultural practices.
– *Education and awareness*, by promoting and explaining traditional practices to tourists, fostering greater appreciation and respect for indigenous wisdom.
– *Sustainable tourism practices*, by integrating traditional practices into wellness tourism models to ensure that local communities benefit economically while preserving cultural heritage and natural resources.

These aspects highlight how wellness tourism combines tradition, culture, and sustainability to offer authentic and transformative experiences for both tourists and local communities. This integration not only enriches tourism through holistic approaches but also strengthens the relationship between visitors and local communities, promoting cultural exchange and encouraging diversity in the eco-tourism industry.

In response to the growing global interest in health, contemporary tourists seek more than physical relaxation. They look for authentic experiences that deliver mental and emotional rejuvenation. Consequently, destinations are rushing to offer a wide range of experiences, from therapeutic treatments and natural remedies to mindfulness programs, meditation sessions, and opportunities for self-discovery through various techniques. Therefore, the growth of wellness tourism can be attributed to factors such as:

– *Increased health awareness*, as people in today's stressful and anxious world recognize the importance of maintaining a balance between body and mind, motivating them to seek destinations offering holistic treatments (Naidoo D., Schembri A., 2023).
– *Stress from modern life*, where the fast pace and societal pressures have led many to seek experiences that provide a break from daily routines and help them reconnect with themselves.
– *Desire for personal growth and self-discovery*, as access to information inspires many to explore and improve their well-being across multiple dimensions. This drive has fueled demand for wellness retreats that offer not just relaxation but also learning, introspection, and holistic practices.

As a result, wellness tourism continues to evolve, addressing both the physical and mental health needs of travelers, as well as their aspirations for self-discovery and personal development.

2.1 History and evolution of Romanian Balneotherapy

Romanian balneotherapy, recognized both locally and internationally for its use of mineral waters in therapeutic treatments, has a rich history dating back to ancient times. Over the centuries, it has evolved and adapted to modern medical practices, becoming a popular form of alternative medicine. Today, Romania boasts a variety of spa resorts offering a wide range of mineral water treatments, making them a primary destination for those seeking natural remedies. Over time, Romanian balneotherapy resorts have developed into more modern wellness destinations, providing treatments such as mud baths, hydrotherapy, and mineral water cures. These facilities have played a key role in promoting health and well-being while strengthening Romania's reputation as a leading balneotherapy hub in Eastern Europe.[2]

Therefore balneotherapy holds significant value in the health sector due to its long history and proven benefits. Dating back to ancient times, the healing properties of Romania's mineral waters have been used to treat various health conditions. The unique composition of these waters, containing elements such as sulfur, magnesium, and calcium, has been known to promote relaxation, improve circulation, and alleviate symptoms of conditions like arthritis and respiratory disorders. Moreover, the serene natural surroundings of Romanian spa resorts enhance the mental rejuvenation that complements physical healing, creating a holistic approach to wellness. By integrating Romanian balneotherapy into their health regimen, visitors can experience notable improvements in their overall well-being.

The Romanian spa industry is growing but remains underutilized. Demand and supply require significant improvements. While the wellness and spa market has developed, Romania still falls short of meeting the standards set by more advanced countries in this field. With 30% of Europe's mineral springs, a unique paleoclimatic heritage, and abundant natural resources, Romania is one of the top destinations for spa tourism. Since 2007, the country has been a member of the European Resort Association Spas (ESPA), thanks to the efforts of the Romanian Balneary Tourism Employers' Organization (OPTBR). These efforts have included uniting relevant stakeholders and promoting Romania as part of the European wellness and spa circuit through the development of specialized locations and offers.

Recently, the OPTBR, in collaboration with ESPA, has sought to make balneary tourism a national priority. Currently, Romanian balneary tourism is experiencing sustained growth, with the goal of improving health and well-being. Achieving this goal requires a strategic approach from the Romanian government, including investments in infrastructure, fiscal measures, and public-private partnerships. OPTBR has ambitious short and long term plans, such as formalizing

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[2] https://desprespa.ro/balneo/apa-termala/, 2023.

partnerships under the Tourism Alliance (APT) to create a strong NGO involved in the future of Romanian tourism (Catalina M., 2022). While these organizations strive to align Romania with international spa standards, state support is essential to develop infrastructure, attract tourists, and ultimately benefit the local population.

2.2. Romania's transition from balneotherapy to wellness & spa

Romania's transition from traditional thermal baths to luxury retreats and yoga practices reflects the natural evolution and changes within the country's wellness industry. While thermal and steam baths remain popular for various treatments, Romania has adapted its offerings to meet the modern trends and expectations of contemporary tourists.

In recent years, a shift towards luxury baths and retreats has been observed, providing high-quality relaxation and revitalization experiences. These locations often feature modern facilities, including saunas, thermal pools, spa centers, and traditional therapies. They are designed to offer a complete wellness experience, focusing not only on physical care but also on mental and spiritual balance[3]

Additionally, yoga and meditation have become increasingly popular in Romania, both as physical exercises and as relaxation techniques. Many retreats now offer yoga and meditation sessions to complement the overall wellness experience.[4]

Today, Romania boasts a variety of luxurious spas and unique retreats, such as:

- *Ana Hotels*: Featuring luxurious spas across their properties, including Ana Spa Europa, Ana Hotels Sport, and Ana Hotels Bradul in Poiana Brașov, Ana Hotels Poiana, International Athenee Palace Bucharest, and Crowne Plaza Bucharest, all offering personalized services tailored to individual needs.
- *Lotus Therm Spa & Luxury Resort*, Băile Felix: Combining balneotherapy with modern relaxation and recovery techniques using superior-quality treatments.
- *Grand Hotel Balvanyos, Covasna*: Spanning over 2,000 square meters, this hotel offers modern spa and relaxation facilities, highly sought after throughout the year.
- *Afrodita Resort, Băile Herculane*: Merging balneotherapy traditions with modern amenities, offering pools, saunas, wellness treatments, and detox circuits.

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[3] Forbes Romania, https://www.forbes.ro/proiectul-romania-destinatie-wellness-fost-lansat-la-therme-bucuresti-128998

[4] Culture trip travel team, 2022, The Top Wellness Retreats in Romania, https://theculturetrip.com/europe/romania/articles/wellness-retreats-take-romania.

– *Bali SPA, Cornu, Prahova*: Providing spa services alongside detox, nutrition, and "well-being" programs.
– *At Home – Yoga Retreat & Glamping, Breaza*: Catering to yoga and art enthusiasts with immersive experiences.
– *SunGarden Golf & Spa Resort, Cluj*: Delivering unique wellness experiences tailored to individual needs.
– *Green Village Resort, Danube Delta*: A haven of relaxation surrounded by nature, disconnecting guests from modern life.
– *Akasha Retreat, Cave Village*: Ideal for those seeking yoga, fasting detox programs, biohacking immersions, and connection with nature through resonance techniques.

Romanian balneotherapy is a prime example of how ancient traditions can be integrated with modern innovations in local wellness tourism. This transformation aligns Romania with other European countries as a potential top destination for wellness and spa treatments. By combining rich natural resources with modern facilities, the Romanian balneotherapy industry delivers recognized therapeutic benefits, significantly contributing to the growth of health tourism. With strategic approaches and continuous investment in modernization and promotion, this sector has the potential to stimulate the economy while positioning Romania as a key center for global balneotherapy and wellness.

2.3. Romanian wellness brands with international recognition

Romania is known not only for its balneotherapy treatments but also for renowned wellness brands that contribute to health and beauty. One notable example is Gerovital H3, a line of anti-aging cosmetic products developed by Dr. Ana Aslan. This brand has achieved international recognition for its innovative products and has become a benchmark in the cosmetics industry. Another significant Romanian brand is Pellamar, known for its treatments and procedures aimed at beauty and revitalization. Both brands highlight Romania's commitment to developing wellness products that blend tradition with innovation, offering comprehensive beauty solutions.

Gerovital is one of the most popular and appreciated anti-aging brands, sold in over 30 countries across Europe, Asia, and North America. Its diverse portfolio addresses the needs of various consumer groups. As a renowned geriatrician and biologist, Dr. Ana Aslan revolutionized the wellness industry with her pioneering work in anti-aging medicine. Her name continues to drive the brand's success, and Gerovital was awarded "Brand of the Year" in 2021 at the Gala Progresiv Awards[5], confirming its leading position in Romania's

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[5] Ziarul Adevarul,2022, https://adevarul.ro/economie/gerovital-a-fost-votat-brandul-anului-2021-2163189.html

cosmetics industry. With a long history of innovation, quality, and proven efficacy, the brand has earned the loyalty of millions of consumers worldwide.

Pellamar is another prominent Romanian brand that has made significant contributions to the history of wellness tourism, both locally and internationally. Specializing in natural and organic products, Pellamar adopts a holistic approach to wellness. It has also established partnerships with spas and wellness resorts globally, enhancing its presence in the wellness tourism industry. Pellamar's origins trace back to the therapeutic mud extracted from Lake Balta Albă in the Amara spa region. Unfortunately, the spa itself fell into neglect over the years, but with the company's efforts, it regained its former prominence. This achievement is credited to Dr. Ionescu Călinești, a physician at the Amara resort, who began research on the therapeutic mud. The name Pellamar derives from "Amara's palloid", meaning Amara mud. (Oana Dumitru, 2021) The brand's revitalization journey began in 2010 with a focus on a small line of cosmetics, which expanded to over 50 products. Despite challenges, Pellamar transitioned to online sales within a decade, which played a crucial role in maintaining cash flow and adapting to evolving consumer behaviors.

3. Trends and Forecasts for the Wellness Market in Romania Post-COVID-19

The COVID-19 pandemic had a significant impact on the global wellness market, causing major shifts in consumer behavior and the structure of service offerings. Nevertheless, the wellness sector demonstrated remarkable adaptability and recovery, with emerging trends pointing to a promising future for the industry in Romania and beyond. According to data from the report of the Global Wellness Economy: Country Rankings, Romania's wellness market rebounded in 2022, reaching 130% of its 2019 levels.[6] This highlights the sector's strong post-pandemic recovery and underlines Romania's potential to further develop its wellness industry.

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[6] The Global Wellness Economy 2023: Country Rankings 2019-2022

***Graph no. 1 Selected Countries with the Strongest and Weakest
Post-Pandemic Wellness Market Recovery 2019-2020 and 2020-2022***

	Wellness Market in 2022 as a % of 2019 Level
Strongest	
Bangladesh — 10.4% / 14.3%	**144%**
Argentina — -17.6% / 28.0%	**135%**
Israel — -6.0% / 18.4%	**132%**
United Kingdom — -7.9% / 19.4%	**131%**
Iran — 3.4% / 12.5%	**131%**
United Arab Emirates — -7..3% / 18.8%	**131%**
Croatia — -22.5% / 29.4%	**130%**
Romania — -6.6% / 17.7%	**129%**
Pakistan — -6.9% / 17.9%	**129%**
Netherlands — 2.8% / 12.1%	**129%**
Czech Republic — -13.7% / 21.8%	**128%**
Denmark — 7.2% / 8.6%	**126%**
United States — -5.6% / 14.0%	**123%**
Mexico — -22.0% / 25.2%	**122%**
Canada — -6.7% / 13.5%	**120%**
Australia — -6.0% / 12.9%	**120%**
Weakest	
Malaysia — -20.7% / 12.0%	**99%**
Slovakia — -27.3% / 16.6%	**99%**
South Africa — -20.6% / 10.1%	**96%**
Brazil — -37.7% / 18.2%	**87%**
Japan — -8.1% / -3.9%	**85%**
Hong Kong — -30.3% / 9.4%	**83%**
Thailand — -31.6% / 8.5%	**81%**

-40% -30% -20% -10% 0 10% 20% 30%

Average Annual % Growth of Wellness Market

☐ 2019-2020 ■ 2020-2022

Note: Countries presented in this chart are drawn from those with a wellness market size greater than $5.0 billion in 2022 (the top 63 largest countries). Countries are ranked in the chart by their post-pandemic recovery (wellness market in 2022 as a % of 2019 level).
Source: Global Wellness Institute

26 | Global Wellness Institute

Source: Global Wellness Institute, The Global Wellness economy rankings, 2024

  Analyzing the available data below, wellness tourism shows substantial development potential in Romania. In 2022, Europe recorded 300.6 million trips dedicated to wellness, reflecting growing interest in relaxation and health-focused activities. Despite its valuable natural resources, such as thermal spa resorts, Romania attracted only 1 million visits to these destinations. This contrast emphasizes the need for more efficient promotional strategies and investments in tourism infrastructure to fully capitalize on the wellness market's potential

and attract a larger number of visitors. For Romania to harness its full potential in wellness tourism, it is essential to adapt to the latest trends in the field.

Graph no. 2 Evolution of the number of wellness trips in Europe (2019-2022)
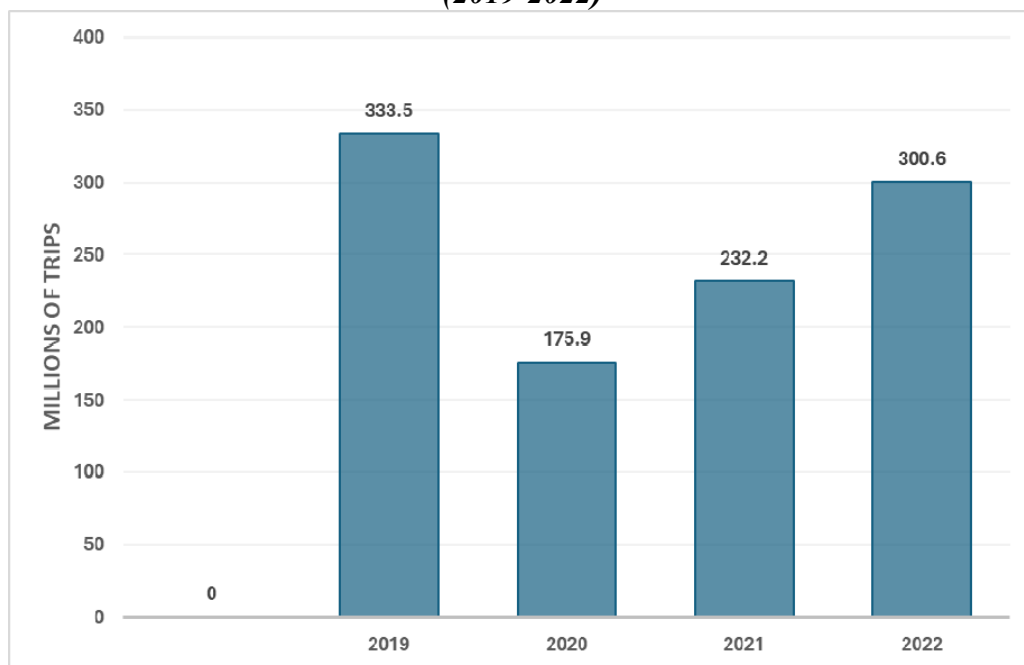
Source: Global Wellness Institute, The Global Wellness economy rankings, 2024

Graph no. 3 Evolution of the number of arrivals in spa resorts in Romania (2019-2022)
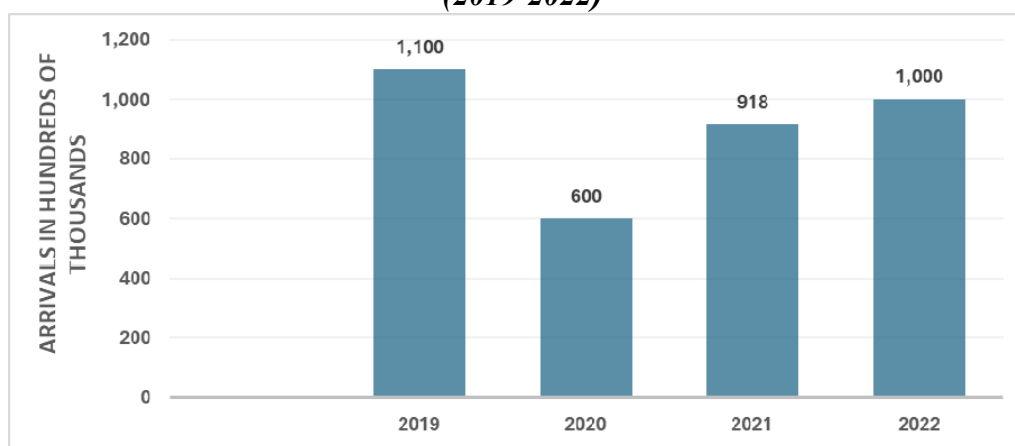
Source: INSSE, National Institute of Statistics, Romania

Interest in wellness tourism has increased recently, as people prioritize health and well-being, seeking destinations that offer integrated services such as

spas, detox retreats, and fitness programs. This trend is evident in Romania, where thermal baths remain the most popular wellness destinations, although spas and retreats are steadily gaining ground. The culture surrounding these services is not yet fully developed, but significant growth is expected in the coming years.

3.1. Key trends in the wellness industry

The wellness industry is continuously evolving as people seek a more balanced, healthier lifestyle. Here are some of the key trends currently shaping the industry:

Digitalization and Service Personalization. Technology is playing an increasingly important role in the wellness sector. Wellness apps, wearable devices, and personalized health programs based on data have become commonplace. These tools allow consumers to monitor their health, receive customized recommendations, and enhance their wellness experience during vacations.

Integration of Wellness Practices into Daily Life. People worldwide are becoming more aware of the importance of maintaining a healthy lifestyle. This has led to a growing demand for wellness products and services that can be easily integrated into daily routines, such as *dietary supplements, functional foods, and home exercise programs*.

Expansion of the Wellness Market in Romania. Romania's wellness market is on a growth trajectory with significant development potential in the coming years. Contributing factors include improvements in tourism infrastructure, increased purchasing power, and a growing interest in health and well-being. Although the culture for spas and retreats is not yet fully established, global trends and digitalization suggest this will change in the future.

Development of Thermal and Spa Resorts. Thermal and spa resorts in Romania will continue to be a cornerstone of wellness tourism. However, investments in modernizing and expanding facilities are needed to attract more domestic and international visitors. Enhancing service quality and diversifying offerings will be essential for maintaining competitiveness in the European market.

Sustainability and Eco-Wellness. Sustainability is becoming a key trend in wellness tourism. Consumers are increasingly concerned about their environmental impact and prefer products and services that are eco-friendly. Wellness destinations that adopt sustainable practices, such as using renewable energy, responsibly managing natural resources, and offering organic and locally sourced products, are more likely to attract visitors.

Despite Romania's rich natural resources and significant potential, the country has not fully capitalized on these opportunities. By improving tourism infrastructure, promoting its natural assets, and adopting sustainable and innovative

strategies, Romania can position itself as an alternative to top destination for wellness tourism.

3.2 Wellness tourism in the digital era

Digital wellness tourism integrates physical, mental, and spiritual health with technology, offering personalized relaxation and recovery experiences accessible via mobile devices or online platforms. This approach balances the benefits of technology with human interaction and connection to nature. By improving accessibility and personalization, digital wellness tourism also referred to as "smart tourism" (Gretzel U., Sigala M., Xiang Z., 2015) adapts services to the health needs and preferences of travelers. This includes mobile apps for wellness management, booking platforms, wearable devices for health monitoring, and AI-driven personalized recommendations.

The rise of digital wellness tourism has transformed how people experience well-being during their travels, blending technology with holistic health practices. As travelers increasingly seek rejuvenation, relaxation, and self-care experiences, key technologies are emerging to enhance and personalize their journeys. From virtual reality wellness experiences to AI-powered health tracking, these innovations are revolutionizing how destinations and wellness providers engage with guests.

Key technologies in Digital Wellness Tourism:
- *Online Booking Platforms:* These platforms simplify access to wellness services such as spa reservations or yoga sessions, allowing users to schedule activities without visiting in person. This is especially valuable for travelers integrating wellness activities into their itineraries.
- *Virtual reality (VR):* VR offers immersive environments for meditation and relaxation, helping users reduce stress and enhance their overall well-being. It provides virtual getaways to relaxing scenarios that are otherwise inaccessible.
- *Wearable devices:* These gadgets track real-time health parameters, such as heart rate or sleep quality, enabling users to adjust wellness activities based on their physical responses.
- *Artificial intelligence (AI):* AI personalizes wellness experiences by analyzing user data to recommend treatments and activities tailored to their health history and preferences.
- *Chatbots and Virtual Assistants:* These tools support clients by answering questions, managing reservations, and offering automated check-in and check-out, thus enhancing customer convenience (Gatzioufa P., Saprikis V., 2023).

- *Biometric technology:* Devices such as stress-measuring scanners or facial expression analyzers are increasingly used in spas and wellness centers to customize treatments based on physical and emotional states.
- *Personalized nutrition apps:* These allow users to monitor their diets and receive recommendations aligned with their health goals. Some wellness providers offer tailored meal plans during guests' stays.
- *Telemedicine and online consultations:* Wellness destinations now provide remote consultations with experts in nutrition, fitness, and mental health, enabling access to top professionals regardless of location.
- *Sleep analysis devices:* Portable technology monitors and evaluates sleep quality, offering guests personalized tips to improve rest and overall health.
- *Smart lighting systems:* Intelligent lighting adjusts automatically based on the time of day or activity, promoting relaxation and improving circadian rhythms.

While technology enhances wellness experiences, preserving human interaction remains crucial. Well-trained staff in wellness centers play a fundamental role in delivering authentic and personalized experiences. Balancing technology with human connection ensures that both emotional and spiritual needs are met effectively.

4. Romania's competitiveness in the wellness market

Romania is rapidly emerging as a competitive player in the global wellness market, leveraging its natural resources, rich cultural heritage, and growing infrastructure to attract wellness tourists. The country offers a unique blend of traditional healing practices, thermal spas, and eco-tourism opportunities, positioning itself as a destination for those seeking relaxation, rejuvenation, and holistic well-being. Romania's abundant mineral-rich hot springs, diverse landscapes, and well-preserved nature provide an ideal setting for wellness retreats, spa resorts, and outdoor activities like hiking and forest therapy.

Romania has the potential to become a significant player in the international wellness tourism market due to its *more affordable prices* and *picturesque landscapes*. Development in this sector requires a well-planned case by case strategy to capitalize on the country's natural and cultural assets without heavy reliance on government interventions. One of Romania's key advantages is the *low cost of services compared to other European destinations*, making it attractive for foreign tourists. However, for Romanian citizens, prices remain relatively high compared to their income levels. Therefore, the country needs more locations offering affordable wellness treatments as needed for both domestic and foreign tourists. Lower prices, especially for accommodations,

spas, and wellness services, can attract a larger number of tourists seeking high-quality treatments.

Despite these competitive prices, Romania struggles to attract enough foreign tourists. For instance, in 2023, *only 33 thousand out of 1 million 154 thousand arrivals (*National Institute of Statistics, 2023) in spa resorts were foreign visitors. This highlights untapped potential, given the country's rich diversity of natural landscapes, stretching from the Carpathian Mountains to the Black Sea, enriched with rural charm.

This picturesque landscapes will provide the perfect setting for wellness retreats and spas, combining health treatments and relaxation with outdoor activities. Incorporating these natural landscapes into wellness packages can position Romania as a top destination for those seeking an escape, offering physical and mental benefits alongside the tranquility and beauty of nature. By implementing an appropriate development and marketing strategy, these advantages can become a reality. This will help Romania not only attract more tourists looking for physical and psychological recovery treatments but also establish its reputation as an accessible and high-quality wellness destination.

Table no. 1. Arrivals in tourist accommodation structures in balneo resorts for the year 2023

-number of arrivals-

Tourist zones	Total	Of witch, by types of tourist accommodation structures											
		Hotels	Hostels	Motels	Tourist Villas	Tourist Cabins	Guest houses	Agro tourist guesthouses	Campsite	Tourist Stops	Bunga-lows	Student & Preschool Camps	Rented Apartments Rooms
Balneo Resorts													
Total Arrivals	1,154,920	874,861	11,479	20,820	51,809	996	90,752	42,906	976	7,506	4,485	1,932	44,842
Romanian Tourists	1,122,169	850,240	11,441	20,361	50,775	980	87,224	41,196	966	7,488	4,244	1,932	43,936
Foreign Tourist	32,751	24,621	38	459	1,034	16	3,528	1,710	10	18	241	--	906

Source: INSSE, National Institute of Statistics, Romania

4.1. Infrastructure, sustainability, and responsibility in Romanian tourism

To ensure sustainable development, all types of accommodations in the country, from hotels to guest houses, must integrate wellness strategies in a sustainable manner. Promoting responsible domestic tourism and educating tourists on sustainable practices can help reduce the environmental impact of tourism while improving the well-being of local communities. As a start, improving outdated infrastructure in the Romanian wellness tourism sector is essential.

This step is critical for providing a high-quality experience to tourists and for efficiently preserving the country's cultural heritage and local resources. Through the adoption of modern technologies and the modernization of wellness spaces, Romania can offer a world-class tourism experience while continually educating its personnel. This approach not only attracts more tourists but also contributes to economic growth, transforming the country into a good destination for those seeking unique experiences.

Sustainability and responsibility in Romanian tourism should focus on *preserving and valuing local culture.*[7]
– Integration of traditional architecture and design in modern accommodations, using materials like wood, stone, and ceramics, adds both aesthetic and cultural value, reflecting and preserving the nation's heritage.
– Promoting local gastronomy with menus using local ingredients.
– Promoting artisanal products, such as textiles, ceramics, and folk art, in tourist spaces enhances cultural value.
– Education and collaboration for promoting cultural responsibility among tourist guides and hospitality employees help understand and valorize Romania's cultural heritage.

These initiatives will contribute to better appreciation of Romanian culture, strengthening national identity and promoting Romania as a top international tourist destination. Implementing training programs, reeducation, and infrastructure modernization are not just necessities but also investments in the future of Romanian tourism.

Efforts to improve service quality will enhance Romania's positive image, prepared to meet diverse tourist expectations. These initiatives position Romania strongly on the international tourism map, demonstrating commitment to excellence and innovation.

4.2 Challenges and solutions for implementing wellness services at the local level

As wellness tourism and services continue to grow globally, local communities are increasingly looking for ways to tap into this booming industry. Implementing wellness services at the local level presents both unique opportunities and challenges. These services have the potential to drive economic growth, improve public health, and elevate community well-being. However, local communities often struggle with limited resources, inadequate infrastructure,

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[7] The Minister of Entrepreneurship and Tourism, National Strategy of Romania for the Development of Tourism 2023-2035, Government of Romania

and cultural resistance, which can hinder the integration of wellness services. In this context, it is important to explore the key challenges, potential benefits, and viable solutions for implementing wellness services within local communities.

By addressing these barriers and identifying strategies to overcome them, local governments and businesses can create supportive environments. These efforts would not only attract wellness tourists but also enhance residents' quality of life. This approach can help create sustainable, thriving wellness hubs that contribute to both economic development and a healthier, more connected society.

Here is an overview of the potential solutions for integrating wellness services at the local level:
- *Reeducating and training personnel*: A strategic priority for the wellness sector is training personnel in modern technologies. This improves tourist interactions, overcomes language barriers, and enhances service quality. Partnerships with training institutions and government programs can facilitate language courses and tourism education
- *Resistance to change and lack of engagement:* Cultural and religious barriers to practices like yoga and meditation limit the sector's development. Educating employees on the benefits of these activities through tailored courses and media materials is essential for increasing understanding and engagement.
- *Digitalization*: The digitalization of tourism has proven to be an essential strategy in revitalizing the tourism sector and promoting wellness tourism. Such initiatives have shown success in other countries, where digital innovation not only educates visitors about sustainable and responsible behavior but also protects cultural heritage and fosters eco-friendly tourism.
- *Public-Private Partnerships and Investment in Infrastructure*: The success of wellness tourism in countries like Austria and Switzerland is partly due to strong public-private partnerships. These partnerships have significantly supported infrastructure development. Romania could replicate this success by encouraging collaboration among government bodies, local businesses, and international investors. This would help develop high-quality wellness facilities and enhance access to rural wellness destinations. Investment in infrastructure, such as transportation, accommodation, and wellness centers, would greatly enhance Romania's competitiveness in the global wellness tourism market.

Strategies for Romania that can be successful in the development of wellness tourism:
- *Investments in luxury retreats and spas*
- *Modernization of rural areas with modern technologies*

– *Targeted marketing for clients in Europe and the USA*
– *Virtual Tours (VR)*
– *Artificial guides (applications)*
– *Comprehensive digital platforms*
– *Mobile payments / Fintech*
– *Promotion of eco-friendly /sustainable tourism*
– *Integration of locals in the recovery plan*

Boosting the Romanian economy through wellness technology: Economically, the wellness industry has become a global force, with trends increasingly focusing on personalized and integrative experiences. Romania is positioning itself as a promising candidate to capitalize on this growing market.

Benefits for the Romanian workforce:
– *attractive salaries*: the specialized nature of wellness jobs often leads to higher wages compared to other sectors of the tourism industry. Employees also benefit from commissions and bonuses for wellness services, increasing their earning potential.
– *professional development and opportunities*: wellness tourism allows employees to specialize in diverse fields such as massage therapy, holistic treatments, nutrition, and advanced spa treatments. This specialization promotes continuous professional growth and career advancement.
– *continuous training and certification:* Workers in the wellness sector gain access to training programs and certifications, keeping them updated on the latest practices and technologies, enhancing their skills and job security.
– improved working conditions: wellness tourism emphasizes creating healthier and more relaxed work environments for employees. This focus reduces stress and enhances job satisfaction and performance.
– *stable employment*: unlike traditional tourism, wellness tourism offers more stable and year-round job opportunities. This is due to its focus on health treatments, which are less affected by seasonal fluctuations or climatic conditions.

By concentrating on the wellness sector, Romania can experience significant economic growth, aligning with the global wellness economy's upward trajectory. With the global wellness market projected to grow from $4.32 trillion in 2017 to $8.47 trillion by 2027, reflecting a compound annual growth rate (CAGR) of 8.6%, Romania has an opportunity to capitalize on this booming industry. Meeting the increasing demand for health-focused tourism will not only contribute to revitalizing the local economy but also attract substantial international

investment. By focusing on wellness offerings, Romania can create new jobs, foster economic resilience, and position itself as a key player in a high-growth global market.

Graph no. 4 Global Wellness Economy Market Size and Growth Projections 2017-2027

Global Wellness Economy Market Size and Growth Projections 2017-2027

US$ trillions

Year	Value
2017	$4.32
2019	$4.93
2020	$4.46
2021	$5.19
2022	$5.61
2027	$8.47

Projected 8.6% CAGR

Historical — Projection

CAGR=Compound Annual Growth Rate
Source: Global Wellness Institute

GLOBAL WELLNESS INSTITUTE™

Source: Global Wellness Institute, 2023

5. Conclusion

The wellness tourism presents a strategic opportunity for Romania to solidify its position in the global tourism market. With its abundant natural resources, a rich tradition of balneotherapy, and a growing global interest in leaving a healthy life, Romania has the potential to emerge as a leading destination in this booming sector. However, achieving this requires investments in modernizing infrastructure, integrating digital innovations, and training a skilled workforce to meet international standards.

By adopting sustainable practices, promoting cultural heritage, and implementing successful strategies, such as those proven effective in Austria

and Switzerland, Romania can position itself as a competitive player in the global wellness economy. With the global wellness market projected to grow, Romania stands to benefit from increased tourism revenue, job creation, and economic growth. Moreover, the alignment of wellness tourism with the global demand for personalized and sustainable experiences ensures Romania's competitiveness in the long term, establishing it as a top destination for wellness and cultural tourism.

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KATO PLEASURE GROUP – REVAMPING TRADITIONAL TALENT OPERATIONS TO BUILD A MODERN EMPIRE OF HOSPITALITY IN JAPAN

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Abstract

One of the most dynamic providers of hospitality in Japan, Kato Pleasure Group (KPG) has been growing their business portfolio over the past few decades at rapid speed. This paper analysis some of the key initiatives has implemented in order to revamp traditional people operations in a Japanese business in order to encourage innovation, induce behavioural change and scale up business development.

JEL classification: L60, L63, M14.

Key Words: Talent, Organization, Globalization, Innovation, Transformation, Japan, Technology, HR, People

Introduction

Kato Pleasure Group Co., Ltd. is a company based in the city of Osaka, a firm which operates leisure business development, restaurants, hotels, river cruises, glamping and camping sites, bridal services, wellness centers, spas, cinemas and other entertainment outlets throughout the Japanese archipelago and overseas. The company owns the *Tsurotontan* udon noodle shops, which have spread internationally, gaining rapid popularity in New York, Boston and Hawaii, with new shops being announced to open in Europe, Asia and the Middle East in the future. In Roppongi, Tokyo, the *Tsurutontan* udon noodle restaurant is constantly popular day and night. Kansai-style udon noodles are characterized by large bowls, and the taste is very popular with all generations. Although part of the same chain, the *Tsurutontan* udon noodle stores are all different, as each store has its own character and unique features. At the Shinjuku store, there is a

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live space where visitors can enjoy music while eating udon noodles. One udon noodle shop in Osaka can be used for entertainment purposes, taking advantage of a former restaurant layout and atmosphere, which was very well known locally. In addition to the food and beverage ongoing initiatives, KPG subsidiary Triplets opened a store in Tokyo for Hiroshima-style okonomiyaki "Micchan Sohonten", which also enjoys wide popularity with both locals and tourists from overseas.

In collaboration with Tokyo-based real estate firm Hulic Company Ltd., KPG have developed a series of small luxury inns (*ryokan*, in Japanese) under the brand name "Fufu". KPG opened "Atami Fufu" in December 2007, "Fufu Kawaguchiko" in October 2018, "Fufu Nara" in June 2020, "Fufu Nikko" in October 2020, "Fufu Karuiwaza" and "Fufu-Kyu Karuizawa" in 2023. Alongside, the company has also been operating an exclusive hotel-style share-time property management program named Glamday Style, with properties in Okinawa, Hakone and other popular tourist destinations.

Through its restaurants, resort hotels, inns, and entertainment centers, KPG attracts over 4 million visitors per year, with an annual sales total of 13 billion yen. Similarly to other hospitality chains and networks, KPG offers a significantly authentic value proposition to both clients and employees. Although managed in slightly different ways by different people, KPG properties carry an unmistakable atmosphere and culture of courteous friendliness, solicitous coziness and mannerly intimacy.

The significant role of corporate culture (Ishida et al, 2021) along with the importance of authentic leadership in business have been broadly argued and demonstrated (William, 2011). Research on the impact of authentic leadership in Japan-based business operations is still relatively scarce, and this paper aims to contribute to a scientific dialogue on this topic.

The Impact of a Visionary CEO

The hospitality industry in Japan is one of the oldest in the world, with Nishiyama Onsen Keiunkan being the oldest operating hotel in the world, as it already existed in the eight century. However, not all hospitality providers in Japan have been as fortunate – many famous hotels, inns and restaurants closed down for various reasons throughout the centuries.

Kato Pleasure Group (KPG) founder and President Tomoyasu Kato started his career in hospitality business in Japan with a key eye of creating unforgettable, unique experiences for his guests.

Kato was born in Osaka Prefecture in 1965. Following the death of his father, who had run a clothing store and a restaurant, he took over the business at the age of 22. Since then, he has been working with his team of hospitality professionals to develop a unique hospitality production business that takes

responsibility for everything from the launch of the business to its operation. As of December 2024, KPG operated more than 30 facilities.

KPG hospitality outlets have an illustrious identity, in terms of area, location, atmosphere and size. Unlike other chain resorts and restaurants, not two KPG facilities are the same in everything. Kato learned early in his career that what customers want is different for each area and location; therefore, he chose to focus on developing and providing a "one-of-a-kind" experience to his customers at each area, location and facility.

This highly customized practice of focusing on the individual in order to create unique and memorable experiences may seem counterproductive and in contrast with traditional Japanese management practices, focusing on standardization, optimization and continuous improvement (Kaneko at al, 2021). It is also slightly in contrast with the traditional preference for collective behavior and highly aligned operations (Watahiki at al, 2024). Kato strategically chose to step away from the one-pattern-fits-all approach to hospitality business and to focus on creating unique and highly customized guest experiences, while developing strong customer intimacy through thoroughly managed and updated data, customer observations and market insights. He realized that many of his guests were expecting much more than clean sheets and smiling faces from a visit to a traditional inn or a beach resort and he committed to focusing on the revitalization of the hospitality business in Japan. In addition to the revitalization of the restaurant sector, Kato also focused on revamping many struggling public lodging facilities in Japan, in order to attract new guests and ensure the continuity of those businesses.

Kato's passion for creating unique moments for his guests inspired his team of hospitality professionals to start thinking and acting differently as well. The Head of People Operations soon realized that a new kind of talent had to be acquired from the market, trained in Kato's business philosophy and vision on hospitality, and then be empowered to go and deliver genuine and unique moments for each guest interaction. This new hospitality mindset was not easy to adopt for everyone, as most service professionals had been trained in other facilities to read and follow manuals, seek managerial advice for every action and obey orders with diligence and minimum questions asked. Hospitality professionals in Japan had traditionally been trained to "act up", to play clearly defined roles and attitudes, which guests had been educated to expect, similarly to how a child expects to meet Mickey at Disneyland (Raz, 1999). Many employees joining KPG were expecting to encounter a Ritz Carlton reminding Credo, inspiring ladies and gentlemen to serve other ladies and gentlemen in one way or another (Kent, 1990). Not having such strict manuals to follow, nor well defined roles to play, was slightly confusing for new joiners on Kato's team at KPG. In work environments, maintaining a certain level of distance is

seen not only as customary, but also a matter of good manners and proper upbringing in traditional organizations in Japan (Popa et al, 2020).

Rather than creating detailed manuals and specific guidelines for each job role at the group, Kato chose to lead by vision and emotions. Vision is broadly shared with everyone onboard, and trust is a powerful currency at KPG. The KPG vision is being a "good leisure creator", and the interpretation of this message is left up to each individual member of the organization. All KPG people are invited to consider how to best deliver moments of excitement to customers, along with the theme of "Making Leisure in Japan More Enjoyable!" As good leisure creators, KPG hospitality provider are requested to imagine how they can best combine new values with the times, people, and places, and with the best hospitality mindset to create ultimate *fun* for their customers.

Research Methodology

This research emerged through a combination of 368 employee surveys, 8 individual interviews with KPM managers and executive directors, and 6 focus group discussions with KPG hospitality professionals and selected guests. The authors of this research also utilized participatory observation as a practice of research, as they were involved in various business transformation initiatives as in-house consultants.

Discussions

The employee surveys indicated that 67% of the population surveyed were initially baffled by the lack of strict manuals and specific roles they had to play while working at KPG. In comment to a free answer question, a male employee in his mid-30s confessed that not knowing what the role would specifically entail and how to behave in order to meet guest expectations was not only confusing, but also quite intimidating in the beginning. Another male employee in his late 20s explained that he/she felt so lost and confused by the lack of operational manuals that he felt like crying and running away home after the first day at work. Nevertheless, 89% of the employee population surveyed indicated that after three months of employment they were so happy working at KPG that they could not see themselves working anywhere else. To a free answer question, a female employee in her early 30s explained that working at KPG was more than a job – it was nearly a new lifestyle. Being totally genuine in guest interactions was new and refreshing and guests seemed to rather enjoy the genuine interactions.

When requested to consider their experience three months after the beginning of employment, 96% of the employee population surveyed reported that they were very satisfied with the job and the new way of working. One employee indicated to a free answer question that the lack of detailed manuals

indirectly encouraged him to think independently, to assume ownership of every instance of his job and to be responsible for every act and occurrence.

One of the resort managers interviewed indicated that working at KPG was a life-changing experience. He had worked at larger and more popular resorts in Okinawa in the past, where guests would stay for one or two nights and would spend their time doing beach activities, visiting the cozy bars and restaurants or enjoying other indoors facilities, such as swimming pools or karaoke party rooms. Employees would have their specific roles and responsibilities, such as front desk staff, bell staff, concierge, etc., and the guest profile was very broad and different. Many people would come to the resort for a "once in a lifetime occasion". At KPG, the guest – host relationship was much closer and more intimate. The hospitality provider would know much more than a name, address and contact information of the arriving guests, as most of these were repeat guests who would come back to facility in need to disconnect from daily life and anticipation of a courteous but friendly interaction with the hosts. Unlike the staff at a large resort, the KPG service provider had to know how to provide a comprehensive package of hospitality, acting as concierge, driver, front desk, restaurant staff and resort administrator. The role was much more complex and, yet, much more rewarding and satisfying.

When asked to compare the attributes and impact of his current role at KPG to a previous role in hospitality, an executive director indicated that the current role was much more intense and challenging, in terms of actionable managerial items and issues which had to be constantly monitored and properly delivered. The psychological distance between the executive and the immediate reports was significantly shorter, as the dynamic of the team was highly organic and the relationships within the team were highly close and personal.

Two of the employees who participated in the focus group interviews indicated that being too close to their managers was not always comfortable and that it took them a few months to adjust to this kind of workstyle. They confessed, though, that once they managed to create a better rapport with their manager and start to see the real person behind the title, many internal formalities became unnecessary, and personal interactions became natural, spontaneous and non-theatrical.

Most of the guests who participated in the focus group interviews mentioned that they were members of other hotels and resorts groups, collecting multiple benefits, such as points and miles with those hotel groups or the affiliated airlines. Although KPG does not offer any similar points or milage accrual benefits to their guests, this did not seem to bother anyone. Six of the regular guests indicated that they visited KPG facilities specifically for reasons and details that other resorts frequently failed to observe and deliver: privacy, uncompromised tranquility, refined local cuisine and unobstructed exposure to local nature, culture and people. All of the guests interviewed reported that they looked

forward to connecting with their local property hosts, learning about local traditions, wine, sake, food, festivals, music and events, and that travelling to a KPG always felt like a unique experience that had to be fully explored and enjoyed. Under such circumstances, the connection with the local host becomes a very important and inseparable part of the experience, and the host needs to possess the professional experience and maturity to be able to constantly deliver unique and memorable experiences.

Conclusions

The characteristic of KPG business is that of taking responsibility for everything from business planning to operation after the facility opens, guest experience creation and delivery. In other words, it is a "total production" approach to hospitality business. Having total ownership and being responsible for everything may be intimidating for less aspirational and less ambitious professionals, but once assumed, it guarantees the continuity and the profitability of the business. Under such circumstances, KPG has brought in not only new businesses but also many projects geared at the revitalization of previously failed businesses. Hospitality professionals who had worked within KPG as hoteliers or restauranteurs took it upon themselves to join other regional projects, bringing in not only the expertise of business ownership, but also the mindset of bringing one's whole self to work to create value through authentic and genuine experiences for all stakeholders.

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BENEFITS AND ROLE OF ARTIFICIAL INTELLIGENCE IN THE TOURISM INDUSTRY

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Abstract

This article explores the key factors driving the effective use of AI in tourism, considering its technological, economic and social impact.

Artificial intelligence (AI) refers to the simulation of intelligent processes by computer systems. These processes include learning (accessing and generating rules for using information), reasoning (using rules to reach conclusions), and self-correction. AI can be classified into several categories, including weak AI, which focuses on performing specific tasks, and strong AI, which could understand and learn tasks at a human-like level.

The application areas of artificial intelligence are diverse, from virtual assistants, speech and image recognition, to data analysis and process automation.

The tourism industry is one of the most dynamic economic sectors globally, having a significant impact on local and global economies. With the development of technology, artificial intelligence (AI) plays an increasingly important role in the transformation and optimization of this sector. AI can provide innovative solutions for a wide range of activities, from personalizing travel experiences to optimizing hotel and travel agency operations.

Keywords: Artificial Intelligence, Tourism, Smart Destinations, Personalization, Sustainability, Decision-making, Customer Experience

JEL Classification: Z32, M15, O32, O33.

1. Introduction

The tourism industry is inherently complex, comprising a vast network of stakeholders—travelers, tour operators, hospitality businesses, transportation companies, government agencies, cultural and natural heritage sites, local communities, and more—linked together by an intricate web of supply, demand, and experience-driven exchanges (Cooper, Fletcher, Fyall, Gilbert, & Wanhill, 2018). As globalization intensifies competition and the digital revolution expands access to information, tourism businesses and destinations must continuously

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adapt to changing consumer expectations, market conditions, and technological advancements. Over the past decade, the rise of Artificial Intelligence (AI) has sparked widespread interest in how these technologies can support innovation and offer strategic benefits to tourism stakeholders.

Artificial intelligence encompasses a wide range of applications, including intelligent chatbots for customer service, predictive analytics for demand forecasting, personalized recommendation engines for trip planning, computer vision for visitor monitoring, and robotic process automation for back-office operations.

2. Literature Review

AI technologies are essential in dynamic pricing. Algorithms can analyze real-time data about demand, season, trends and similar activities to determine optimal prices that maximize revenue.

A notable example is the use of AI by airlines, which adjust fares based on factors such as the number of available seats and the distance from the departure date. The same technology is used in hotels to optimize room rates.

The travel industry generates massive amounts of data, from bookings and transactions to reviews and consumer behaviour. AI enables the analysis of this data to identify patterns, trends and behaviors that can guide business strategies.

For example, predictive analytics can be used to anticipate seasonal demand fluctuations or identify customer segments that are at high risk of canceling reservations. Thus, companies can take proactive measures to prevent losses.

2.2 AI Applications in Tourism

Early applications of AI in tourism focused on expert systems for travel planning (Werthner & Ricci, 2004) and recommender systems for destination choice (Ricci, Rokach, & Shapira, 2011). Today, AI encompasses a broader set of tools:

- Chatbots and Virtual Assistants: Many travel companies deploy chatbots on their websites and apps to answer common questions, assist with bookings, and handle customer complaints (Mariani & Perez-Vega, 2020).
- Predictive Analytics and Forecasting: Machine learning algorithms help forecast tourist demand, estimate visitation patterns, optimize pricing, and manage inventory (Günther, Rezazade Mehrizi, Huysman, & Feldberg, 2017).
- Computer Vision and Sensing: Image recognition and surveillance technologies monitor visitor flows, detect overcrowding, and evaluate the carrying capacity of tourism sites (Choi, Lehto, & Morrison, 2007).

- Robotic Process Automation (RPA): Back-office tasks, such as billing, accounting, and document management, can be automated, freeing staff to focus on more complex tasks (Ivanov & Webster, 2019).
- Sentiment Analysis and Social Listening: AI-based natural language processing tools analyze online reviews, social media content, and visitor feedback to gauge satisfaction and identify areas for improvement (Xiang, Du, Ma, & Fan, 2017).

2.3 Benefits of AI in Tourism as Identified in Prior Research

Previous studies highlight several potential benefits: improved efficiency and productivity (Ivanov & Webster, 2017), higher levels of personalization (Tussyadiah & Zach, 2013), enhanced customer experience (Mariani & Predvoditeleva, 2019), better-informed decision-making among destination managers (Gretzel & Scarpino Johns, 2018), and improved sustainability outcomes (Nunes & Kozak, 2021). However, these benefits have often been considered in isolation. A holistic perspective is essential to fully appreciate AI's transformative potential.

2.4 Research Gaps

Despite growing interest, the literature lacks a systematic examination of how AI-derived benefits interplay to transform tourism systems. This paper contributes by bridging this gap and offering a structured assessment that can guide policymakers, practitioners, and researchers toward maximally leveraging AI's potential.

3. Methodology

This study adopts a conceptual synthesis approach, drawing on interdisciplinary literature from tourism studies, information systems, and management science. We systematically reviewed journal articles, conference proceedings, industry reports, and policy guidelines published between 2000 and 2023. This timeframe captures the evolution of AI technologies from early recommender systems to complex deep learning solutions. We focused on materials that discuss AI applications with an emphasis on realized or potential benefits.

The conceptual framework that guided our synthesis comprises four thematic areas of potential benefit: (1) Customer Experience, (2) Operational Efficiency, (3) Data-Driven Decision-Making, and (4) Sustainability. The framework is informed by established tourism management theories (Buhalis, 2010; Pearce, 2021) and aligns with the emerging literature on smart tourism destinations (Gretzel et al., 2015).

AI plays an important role in ensuring the safety and security of tourists. For example, smart surveillance cameras and facial recognition systems can identify threats in real time and alert authorities. AI is also used to analyze potential risks in tourist destinations, such as extreme weather conditions or health risks.

4. Enhancing Customer Experience

One of the most frequently cited benefits of AI in tourism is the ability to deliver highly personalized recommendations. Machine learning algorithms analyze user profiles, preferences, past travel behavior, and contextual data to suggest destinations, attractions, and itineraries that closely match individual interests (Ricci et al., 2011). This personalization enhances the perceived value of travel services and fosters customer loyalty.

Chatbots, powered by natural language processing (NLP) and machine learning models, can handle routine inquiries 24/7, reducing response times and improving user satisfaction. They can also learn from each interaction, refining their answers and anticipating user needs. For example, major airlines and hotel chains leverage virtual assistants to simplify the booking process, communicate flight updates, and handle cancellations. These AI-driven interactions reduce friction in the customer journey, leading to higher satisfaction rates (Mariani & Predvoditeleva, 2019).

Context-aware systems can adapt recommendations and services based on the traveler's real-time situation, location, and environmental conditions. Intelligent travel guides integrated into smartphones can suggest nearby restaurants or attractions, warn about traffic congestion, or recommend off-peak visiting times to enhance the user experience (Gretzel et al., 2015).

The use of new information technologies and artificial intelligence (AI) in the tourism industry has substantially transformed the way the sector operates. Here are some ways in which these innovations are being implemented:

Personalization: AI analyzes customer data to provide personalized recommendations for destinations, experiences, and accommodations. This helps travel agencies and hotels improve the customer experience.

Chatbots and virtual assistants: These are used on travel agency websites to provide quick information, answer frequently asked questions, and help with bookings, 24/7.

Revenue Management: AI algorithms can predict demand and adjust prices in real time, thus optimizing the revenues of hotels and travel agencies. Sentiment analysis and feedback: Natural language processing technologies can analyze customer reviews to identify sentiment trends and improve services offered.

Logistics optimization: AI helps improve transportation management, ticket reservations, and itineraries, making travel more efficient. Augmented and virtual reality: These technologies provide immersive experiences for customers, allowing them to "visit" destinations before making a reservation.

Security and monitoring: Advanced technologies help improve security, from monitoring tourist flow to managing safety risks.

These emerging applications promise not only to enhance the efficiency and competitiveness of tourism businesses but also to improve the traveler experience, inform policy decisions, and foster sustainable management of tourism destinations.

These technological advances allow not only for more efficient operation, but also for a more enjoyable and tailored experience for customers in tourism. Adapting to these changes can give travel agencies a significant competitive advantage.

5. Improving Operational Efficiency and Competitiveness

Revenue Management and Dynamic Pricing: AI-driven predictive analytics help tourism providers forecast demand, identify price elasticity, and implement dynamic pricing strategies (Günther et al., 2017). This increases revenue, optimizes resource allocation, and ensures better matching of supply with demand.

Process Automation and Cost Reduction: By automating repetitive tasks, AI reduces labor costs, minimizes human error, and allows employees to focus on high-value activities such as guest relations and strategic planning. In the hospitality sector, AI-enabled robots can perform housekeeping tasks, while RPA streamlines administrative tasks like invoicing and payroll processing (Ivanov & Webster, 2019).

Competitive Intelligence and Market Analysis: Machine learning models can scrape and analyze vast amounts of data—online reviews, competitor pricing, traveler sentiment—providing insights into market trends, consumer preferences, and competitor strategies. This intelligence helps tourism businesses adapt offerings quickly, remain competitive, and improve their market positioning.

6. Enabling Data-Driven Decision-Making and Management

Destination Management and Policy Formulation: Tourism boards and destination management organizations (DMOs) benefit from AI-driven insights by understanding visitor flows, predicting future demand, and assessing the success of marketing campaigns. AI tools can process data from multiple sources—such as airline bookings, credit card transactions, social media mentions, and geospatial data—to produce comprehensive dashboards that inform strategic decision-making (Gretzel & Scarpino Johns, 2018).

Resource Allocation and Capacity Management: AI can predict peak visitation periods and suggest appropriate resource allocation strategies. For instance, machine learning models can identify patterns that lead to overcrowding at popular attractions, prompting authorities to implement timed entry systems or dynamic pricing to spread visitation more evenly (Choi et al., 2007).

Crisis Management and Risk Assessment: In times of crisis—such as pandemics, natural disasters, or geopolitical tensions—AI systems can model various scenarios, helping decision-makers to plan contingency measures, allocate emergency resources, and communicate effectively with stakeholders. For example, during the COVID-19 pandemic, AI-based forecasting tools supported DMOs and policymakers in scenario planning and recovery strategies (Sigala, 2020).

AI can be used to support sustainable tourism by optimizing resource consumption and reducing environmental impact. For example, companies can use AI to analyze and reduce energy consumption in hotels or to plan more efficient routes for tourist transportation.

Another example is the use of AI in the development of platforms that promote greener travel options, such as the use of low-carbon means of transport.

7. Fostering Sustainability and Responsible Tourism Development

One of the main advantages of AI in tourism is its ability to automate repetitive and time-consuming tasks. Chatbots, for example, are used to answer customer questions quickly and efficiently, 24/7. These solutions reduce the operational costs of companies, allowing human staff to focus on more complex and strategic activities.

Concrete examples include the use of machine learning algorithms to manage bookings, checkouts and update prices based on demand. This helps reduce human error and increase operational efficiency.

AI enables the creation of personalized travel experiences by analyzing user preferences and behavior. Advanced recommendation algorithms can suggest destinations, activities or tourist packages tailored to the needs and wishes of each customer.

For example, online platforms like Booking.com or Expedia use AI to analyze search history and reviews, providing relevant suggestions that increase customer satisfaction. This level of customization is a key differentiator in a competitive environment.

IA contribuie la crearea unei industrii turistice mai accesibile și incluzive. Aplicațiile de traducere în timp real, cum ar fi Google Translate, facilitează comunicarea între persoane de diferite naționalități. De asemenea, soluțiile IA sunt utilizate pentru a dezvolta ghiduri audio pentru persoanele cu deficiențe de

vedere sau pentru a oferi informații vizuale adaptate persoanelor cu deficiențe auditive.

Aceste soluții sporesc accesul la servicii turistice pentru grupuri care anterior se confruntau cu bariere semnificative.

8. Challenges and Policy Implications

Ethical and Privacy Concerns: The increased use of AI raises questions related to data privacy, surveillance, and algorithmic bias. Tourism databases often include sensitive personal information, making compliance with data protection regulations (e.g., GDPR) critical. Stakeholders must ensure transparency and fairness in AI-driven decisions to maintain public trust (Tussyadiah, 2020).

Workforce Displacement and Skills Development: Automation could displace certain jobs in the tourism sector, raising social and economic concerns. However, it also creates opportunities for upskilling and reskilling the workforce to handle more complex, customer-facing, or strategic roles. Policymakers should support vocational training and education programs to help workers adapt to the AI-driven landscape (Ivanov & Webster, 2017).

Technical and Infrastructural Barriers: The implementation of AI solutions requires robust digital infrastructure, reliable internet connectivity, and substantial investment in technology and human capital. Many destinations, particularly in developing countries, may face challenges due to limited resources. Policymakers and industry associations should promote capacity-building initiatives and public-private partnerships to foster technology transfer and investment.

Standardization and Interoperability: As numerous AI solutions enter the market, a lack of common standards for data formats, security protocols, and application interfaces may impede seamless integration. Industry bodies, alongside international organizations, should work towards establishing standards that facilitate interoperability and foster trust in AI applications.

9. Future Research Directions

The benefits of AI in tourism are evident, yet the field remains fertile for further investigation. Future research could:

- evaluate Long-Term Outcomes: Longitudinal studies are needed to assess the enduring impacts of AI on customer satisfaction, business performance, sustainability metrics, and community well-being.
- develop Ethical Frameworks: Scholars and practitioners should collaborate to formulate ethical guidelines that address privacy, bias, and fairness in AI-driven tourism applications.
- explore Novel Technologies: As AI converges with extended reality (XR), blockchain, and quantum computing, researchers can explore how these synergies create new value propositions in tourism.

– investigate Cultural and Regional Differences: The adoption, implementation, and reception of AI tools may vary by cultural context. Comparative studies across different regions can offer insights into contextual factors shaping AI's benefits.

10. Conclusion

Artificial intelligence is revolutionizing the travel industry, bringing significant benefits in terms of efficiency, personalization and sustainability. However, to fully realize the potential of AI, it is essential that players in the tourism industry invest in technology infrastructure, training and strategies that prioritize the customer experience.

Thus, the use of artificial intelligence can not only transform tourism into a more efficient and sustainable sector, but also create memorable experiences for tourists around the world.

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BALANCING CONSISTENCY AND EVOLUTION IN ECONOMIC TERMINOLOGY: A SCIENTIFIC AND LINGUISTIC PERSPECTIVE

*Elena Museanu**

Abstract

This article explores the scientific and linguistic dimensions of stability and variability in economic terminology, emphasizing their critical roles in effective communication and the evolution of economic thought. Stability in terms like "Gross Domestic Product (GDP)" ensures clarity and consistency, essential for reliable economic analysis and policy communication. Conversely, variability accommodates new developments, as exemplified by terms from behavioral economics such as "nudge" and innovations from the 2007-2008 financial crisis like "credit default swap." Through mass media examples from The New York Times, The Guardian, Financial Times, BBC News, Reuters, and Bloomberg, the article illustrates how stable and variable terms are disseminated to the public. Balancing these aspects ensures economic terminology remains precise, relevant, and adaptable, facilitating the field's growth. The discussion underscores the importance of periodic reviews, interdisciplinary collaboration, and comprehensive education in maintaining this balance, highlighting how linguistic adaptability and scientific rigor contribute to the dynamic nature of economic discourse.

1. Introduction

Economic terminology plays a crucial role in the communication and understanding of economic concepts, policies, and theories. The stability and variability of economic terms reflect the dynamic nature of the field and the need for precise language to convey complex ideas. This article explores the scientific and linguistic dimensions of stability and variability in economic terminology, with examples from mass media.

The evolution of economic terminology is influenced by changes in economic theory, policy, and practice. From a scientific perspective, terminology reflects the evolution of knowledge and understanding. From a linguistic perspective, it involves the adaptation of language to convey complex and evolving concepts. The balance between stability and variability in terminology is crucial for the clarity, consistency, and adaptability of economic discourse.

Economic terms are not just tools for communication but also integral components of policy-making and theoretical development. They serve as the

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foundation upon which economic models are constructed and policies are evaluated. For instance, terms such as "inflation" and "monetary policy" are critical in analyzing and addressing macroeconomic challenges, ensuring alignment between theoretical frameworks and practical applications.

Furthermore, economic terminology evolves alongside societal and technological advancements. As economies become more interconnected through globalization and digitalization, new terms like "cryptocurrency" and "blockchain" emerge to describe these phenomena. This highlights the necessity for economic language to remain both precise and adaptable, bridging the gap between traditional theories and contemporary realities.

2. Stability in Economic Terminology

Stability in economic terminology is essential for clear communication among economists, policymakers, and the public. Certain terms have remained stable due to their foundational nature and widespread acceptance. Stable terminology provides a consistent framework for economic analysis and discussion, facilitates understanding among diverse audiences, and enables comparability across different contexts and time periods.

Economic terms that have remained stable typically describe fundamental concepts that form the backbone of economic theory and practice. These terms are used universally and have well-established definitions that have stood the test of time. Their stability ensures that when economists refer to these terms, there is a shared understanding, minimizing the risk of misinterpretation.

Stability also plays a vital role in decision-making processes, as it enables policymakers to rely on a common lexicon when designing and implementing strategies. When terms like "interest rates" or "trade balance" are uniformly understood, it reduces ambiguity and fosters more informed discussions among stakeholders, from government officials to business leaders.

Additionally, the use of stable economic terms supports educational efforts by providing a standardized framework for teaching foundational concepts. Students and professionals alike benefit from the consistency of terms that have been well-defined and widely accepted over time, creating a robust foundation for both academic and practical applications.

Example: Gross Domestic Product (GDP)
Gross Domestic Product (GDP) is a prime example of stable economic terminology. GDP is defined as the total monetary value of all goods and services produced within a country's borders in a specific time period. It serves as a critical measure of economic performance, growth, and health (World Bank, 2020). The stability of the term GDP allows for consistent tracking of economic progress and comparison across different countries and time periods.

The stability of GDP as a term is evident in its widespread use in both academic literature and popular media. Economists and analysts rely on GDP to assess economic conditions and make informed decisions. For instance, policymakers use GDP data to design economic policies, while investors use it to make investment decisions.

Mass Media Example: The New York Times

The New York Times consistently uses "GDP" in articles to report on economic performance, ensuring readers understand trends and comparisons over time. (The New York Times, 2024). For instance, in a recent article titled "U.S. GDP Grows at Fastest Pace in Two Years," the term is used to convey economic growth clearly and unambiguously.

3. Importance of Stable Terminology

3.1. Consistency*:* Stable terms provide a consistent framework for economic analysis and discussion. This consistency is crucial for developing theories, conducting research, and comparing data over time (Samuelson & Nordhaus, 2009).

3.2. Clarity**:** Clear and unambiguous terms facilitate understanding among diverse audiences, including academics, policymakers, business professionals, and the general public (Kahneman, 2011). Stable terminology reduces the risk of confusion and misinterpretation.

3.3. Standardization**:** Standardized terminology enables comparability across different contexts and time periods. For example, inflation has been a stable term allowing for meaningful comparisons of economic data between countries and regions over decades (Reuters, 2024).

From a linguistic perspective, stability ensures that terms carry the same meaning over time, reducing ambiguity and enhancing communication efficiency. Stable terminology allows for the continuity of discourse, making it easier to trace the development of economic theories and policies over time. It also aids in the dissemination of economic knowledge, as educators can rely on a stable set of terms to teach fundamental concepts. Moreover, stability fosters international collaboration by providing a shared linguistic framework that transcends cultural and geographical boundaries (Bidu-Vrănceanu, 2002). This shared framework is particularly important in addressing global economic challenges, such as financial crises or climate change, where consistent terminology ensures clarity in negotiations and policy formulation (Samuelson & Nordhaus, 2009). Stability,

therefore, serves as a cornerstone for both academic inquiry and practical applications in the economic sphere.

4. Historical Context and Evolution of Stable Terms

Many stable economic terms have historical roots that trace back to the foundational works of classical economists such as Adam Smith, David Ricardo, and John Maynard Keynes. These terms have been refined and solidified through decades of academic research, policy-making, and practical application.

For example, the term "inflation" has been used for centuries to describe the general increase in prices and the decline in purchasing power of money. Its definition and measurement methods have evolved, but the core concept has remained stable. This stability allows economists to compare inflation rates across different eras and understand long-term economic trends (Thaler & Sunstein, 2008).

5. Challenges to Stability

Despite the importance of stable terminology, maintaining stability can be challenging. As the economy evolves and new phenomena emerges, there is a constant need to revisit and, occasionally, redefine terms. For instance, the digital economy has introduced new forms of economic activity that traditional measures like GDP may not fully capture. (World Bank, 2020). This has led to debates about whether new terms or revised definitions are needed to describe economic performance accurately.

Another challenge is the translation of economic terms across different languages and cultures. While terms like GDP and inflation have stable definitions in English, their translations may not always convey the same nuances in other languages. This can lead to misunderstandings and requires careful consideration by economists and translators. (Bloomberg, 2024).

Stability in economic terminology is a cornerstone of effective economic communication and analysis. Terms like GDP, inflation, and unemployment rate provide a consistent framework that facilitates understanding and comparability. While maintaining stability can be challenging in a dynamic economic environment, the benefits of clear, unambiguous, and standardized terminology are invaluable. As the field of economics continues to evolve, it is crucial to balance the need for stability with the flexibility to adapt to new developments and insights.

6. Linguistic Perspective on Terminological Variability

From a linguistic perspective, terminological stability can be understood as a process of maintaining precise and consistent meanings of terms within a

specific field of expertise, despite the linguistic or social changes that may occur over time. This involves not only preserving clear meanings but also the gradual evolution of terminology according to the needs of the scientific or professional community. Linguistically, stability is influenced by several factors, such as the use of a term within a normative framework, the authority of standardization organizations, and the interactions in various communication environments, such as scientific publications, conferences, or specialized manuals (Bidu-Vrănceanu, 2002).

Terminological stability is also reflected in the relationship between terms and concepts. For example, in Romanian, terms must remain consistent to accurately reflect the concepts in scientific or professional language. Premature changes to a term can lead to confusion and loss of clarity in scientific communication. In this context, linguistic research has focused on studying the stability and flow of terms in various fields of expertise, identifying the rules governing their changes and explaining how these rules can be maintained without compromising the original meaning (Guilbert, 2009).

7. Variability in Economic Terminology

While stability is important, variability allows for the incorporation of new concepts and methodologies. Behavioral economics has introduced terms like "nudge," "bounded rationality," and "loss aversion" to economic discourse (Thaler & Sunstein, 2008).

The Guardian frequently discusses behavioral economics, bringing terms like "nudge" to a wider audience. An article titled "How 'Nudge Theory' is Changing How We Make Decisions" showcases its real-world applications (The Guardian, 2024).

Another example of variability is the evolving discourse around environmental economics. Terms like "carbon footprint" and "greenwashing" have emerged in response to global environmental challenges and the need for sustainable practices. These terms not only reflect new economic realities but also shape public and policy-level discussions on combating climate change (Kahneman, 2011). The widespread adoption of such terminology underscores the critical role of linguistic innovation in addressing pressing global issues.

Moreover, variability facilitates the integration of technological advancements into economic language. For instance, the rise of financial technology (fintech) has introduced terms such as "peer-to-peer lending" and "decentralized finance (DeFi)." These concepts reflect shifts in how financial services are delivered and regulated in a digital economy (Bloomberg, 2024). Such innovations highlight the necessity for dynamic terminology to ensure accurate descriptions of emerging phenomena and their economic implications.

Example: Behavioral Economics

The rise of behavioral economics has introduced new terms and concepts that challenge traditional economic theories. Terms like "nudge," "bounded rationality," and "loss aversion" reflect the integration of psychological insights into economic analysis.

Mass Media Example: The Guardian

The Guardian frequently covers behavioral economics, introducing terms like "nudge" to a broader audience. An article titled "How 'Nudge Theory' is Changing How We Make Decisions" illustrates the application and relevance of this term in real-world contexts.

8. Drivers of Terminological Variability

8.1. *Innovation:* New research findings and theoretical advancements necessitate the creation of new terms. (Financial Times, 2024).

8.2. *Policy Changes*: Shifts in economic policy can introduce new terminology, such as "quantitative easing" during the financial crisis (Reuters, 2024).

8.3. *Globalization:* The increasing interconnectedness of economies requires the adoption of terms that reflect global economic dynamics. Global interconnectedness fosters terms that reflect new economic dynamics, like "blockchain" and "cryptocurrency" (Bloomberg, 2024).

Linguistically, variability allows economic language to remain dynamic and responsive to new discoveries and global trends. This adaptability is crucial for accurately describing new phenomena and for fostering innovation within the field. By embracing variability, economists can effectively integrate concepts like "gig economy" or "carbon trading," ensuring that language evolves alongside societal and technological advancements (Guilbert, 2009; Sachs, 2015). This linguistic flexibility not only enriches economic discourse but also enhances its relevance in addressing contemporary challenges.

9. Balancing Stability and Variability

The balance between stability and variability in economic terminology is crucial for the field's development. Economists must strive to maintain clarity and consistency while embracing necessary changes. Achieving balance ensures economic language remains precise, relevant, and adaptable. Regular updates, collaboration, and comprehensive education play pivotal roles in this process (Kahneman, 2011).

Stability in economic terminology offers a foundation for shared understanding, allowing policymakers, researchers, and the public to communicate effectively. As Bidu-Vrănceanu (2002) highlights, specialized lexicons must evolve in a controlled manner to ensure their accessibility and utility across diverse audiences. Stable terms like "inflation" or "GDP" create a sense of continuity and facilitate the comparison of data and trends over time (Samuelson & Nordhaus, 2009).

Simultaneously, the introduction of variable terms reflects the dynamic nature of economics as it adapts to new technologies and societal changes. Guilbert (2009) argues that creativity in language fosters innovation, a necessity for describing emerging concepts such as cryptocurrencies, green finance, or the gig economy. For instance, the term "blockchain" has reshaped discussions on financial systems and transparency (Bloomberg, 2024). By embracing variability, economists ensure that language evolves alongside the field itself, enabling precise articulation of novel ideas and phenomena.

10. Strategies for Balancing Stability and Variability

Regular Updates: Periodic reviews of economic terminology can help integrate new terms while preserving established ones. Academic journals, professional organizations, and regulatory bodies play a key role in this process. For instance, Bidu-Vrănceanu (2002) emphasizes the importance of managing specialized lexicons to ensure that updates reflect both linguistic precision and practical relevance. Such updates allow economists to address emerging phenomena like digital currencies or sustainable development strategies (Sachs, 2015).

Collaboration: Engaging with interdisciplinary fields and international organizations can ensure that economic terminology remains relevant and comprehensive. Collaboration between economists, linguists, and policymakers fosters the development of terms that are both accurate and accessible. As highlighted by Guilbert (2009), creativity in terminology arises through collaborative efforts, ensuring that language evolves to meet the needs of a globalized economy. This approach is particularly relevant when addressing complex topics such as climate finance or global trade dynamics.

Education: Teaching both stable and variable terms in economics education can prepare future economists to navigate and contribute to the field effectively. Educational programs should emphasize the historical context and evolution of key terms. According to Kahneman (2011), understanding cognitive biases and decision-making processes can enhance the learning experience, enabling students to critically analyze and adapt terminology. Moreover, emphasizing the role of mass media in disseminating economic concepts (Reuters, 2024) can help students bridge the gap between technical language and public discourse, ensuring broader engagement and understanding.

11. Scientific Perspective on Terminological Evolution

From a scientific perspective, the evolution of economic terminology reflects the advancement of knowledge and understanding within the field. As new theories and models are developed, new terms are coined to describe them. This process is akin to the evolution of terminology in other scientific disciplines, where precision and clarity are paramount.

Case Study: Evolution of Financial Terms

The financial crisis of 2007-2008 introduced several new terms into economic discourse. Terms like "subprime mortgage," "credit default swap," and "too big to fail" became common in both academic literature and mass media. These terms helped to explain complex financial instruments and concepts that were crucial to understanding the crisis.

Mass Media Example: Financial Times

The Financial Times played a significant role in disseminating these new terms to a broad audience. Articles like "Understanding Credit Default Swaps" provided clear explanations of these terms, contributing to public understanding of the financial crisis.

12. Linguistic Perspective on Terminological Variability

Linguistically, the variability in economic terminology can be seen as a natural response to the evolving nature of the field. As new technologies, theories, and global challenges emerge, language must adapt to describe these concepts and phenomena accurately. This process ensures that terminology remains not only relevant but also precise enough to facilitate clear communication among experts and the broader public. The adaptability of economic language is crucial for bridging the gap between academic discourse and practical application. For example, terms such as "cryptocurrency," "carbon credits," and "circular economy" have entered the lexicon to address contemporary issues, reflecting the dynamic interplay between linguistic innovation and economic progress (Guilbert, 2009). By embracing variability, economic terminology evolves in parallel with the field, enabling researchers and practitioners to articulate emerging trends effectively while contributing to the advancement of knowledge and policy development (Sachs, 2015).

Linguistic Analysis: Semantic Shift

Semantic shift, or the change in meaning of words over time, is a common phenomenon in all languages. In economics, terms may acquire new meanings as they are applied to different contexts. For example, the term "bubble" originally referred to a general economic phenomenon but has acquired specific

connotations in the context of financial markets, such as the "dot-com bubble" or the "housing bubble."

Mass Media Example: BBC News

BBC News often uses terms like "bubble" in its financial reporting. Articles such as "Is the Housing Market in a Bubble?" explore the implications of the term in contemporary economic contexts, reflecting its semantic shift.

13. Implications for Economic Policy and Practice

The stability and variability of economic terminology have significant implications for economic policy and practice. Clear and consistent terminology is essential for the effective communication of policy measures and for the implementation of economic strategies. At the same time, the ability to adapt terminology to new developments ensures that policy responses remain relevant and effective. At the same time, variability enables economic language to adapt to new realities and emerging trends. For example, the integration of terms like "sustainable development" or "blockchain technology" reflects the field's responsiveness to global challenges and technological advancements (Sachs, 2015; Guilbert, 2009). This balance ensures that economic terminology not only preserves its foundational clarity but also evolves to meet the demands of a rapidly changing world, allowing policies to remain relevant and impactful in addressing both present and future challenges.

Policy Communication

Policymakers rely on stable terminology to communicate their decisions and strategies effectively. Terms like "inflation," "unemployment rate," and "monetary policy" are used consistently to ensure that their messages are understood by both experts and the general public.

The implications of economic terminology extend beyond communication to the broader realm of policy formulation and implementation. Stable terminology not only fosters clarity but also enhances trust in economic policies by reducing ambiguities and ensuring that stakeholders have a shared understanding of the terms used. This consistency is critical in contexts where precise communication can significantly impact markets, investor confidence, and public support for policy measures (Samuelson & Nordhaus, 2009; Mankiw, 2020). Policymakers must remain mindful of the power of language in shaping economic narratives and influencing public perception.

Mass Media Example: Reuters

Reuters frequently reports on policy decisions using stable economic terms. An article titled "Federal Reserve Raises Interest Rates to Combat Inflation"

uses terms like "interest rates" and "inflation" to convey the central bank's actions clearly.

Adaptation to New Developments

As new economic challenges and opportunities arise, policymakers and practitioners must adapt their language to describe these changes accurately. This adaptability is crucial for the development of effective policy responses.

Mass Media Example: Bloomberg

Bloomberg's coverage of emerging economic trends often introduces new terms to its readers. For instance, articles on the rise of cryptocurrencies have popularized terms like "blockchain" and "initial coin offering (ICO)," reflecting the need for new terminology to describe these innovations.

The ability to integrate variable terminology ensures that economic language evolves alongside technological advancements, societal changes, and global challenges. For instance, the adoption of terms like "green economy" and "sustainable finance" reflects the growing importance of environmental considerations in economic policy (Sachs, 2015; Stiglitz, 2019). By embracing such terminology, policymakers can align their strategies with contemporary priorities, fostering a forward-looking and adaptive approach to economic governance.

14. Conclusion

The stability and variability of economic terminology are integral to the discipline's growth and adaptability. Stable terms provide a foundation for communication and analysis, while variable terms allow for the incorporation of new knowledge. By balancing these aspects, economists ensure language remains precise and relevant. (Samuelson & Nordhaus, 2009). Moreover, the dynamic interplay between stability and variability reflects the broader evolution of economics as a discipline. The careful introduction of new terminology ensures the field adapts to technological advancements, global economic shifts, and emerging theoretical insights. Such adaptability is essential for maintaining the relevance and applicability of economic research and policy in an ever-changing world.

The scientific and linguistic approaches to economic terminology highlight the importance of clear and adaptable language. Stable terminology ensures consistency and clarity, while variable terminology allows for the incorporation of new knowledge and perspectives. Mass media play a crucial role in disseminating both stable and variable terms, contributing to public understanding and engagement with economic issues.The role of education and mass communication cannot be overstated in achieving this balance. By fostering an understanding of both stable and variable terminology, educational

programs equip future economists with the tools to engage effectively in the field. Simultaneously, mass media bridges the gap between technical economic language and public discourse, ensuring that complex concepts are accessible and comprehensible to diverse audiences.

The interplay between stability and variability in economic terminology also underscores the interdisciplinary nature of economics. As the field intersects with other domains such as technology, politics, and sociology, its terminology must adapt to accommodate broader perspectives and emerging trends. This fluidity not only enriches the discipline but also ensures that economic language remains relevant in addressing complex, real-world challenges. Furthermore, the ongoing dialogue between stability and change within economic terminology mirrors the dynamic balance required in economic systems themselves, where stability fosters confidence, and adaptability drives progress.

In addition, international collaboration and globalization have further emphasized the need for a nuanced approach to economic terminology. Consistent and stable terms facilitate cross-border communication and cooperation, while variable terms reflect cultural and regional differences, enriching the global economic discourse. These dynamics highlight the importance of fostering terminological clarity and adaptability, both of which are pivotal in addressing the challenges posed by a rapidly evolving global economy.

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THE INTEREST OF ROMANIAN TOURISTS IN THE NORDIC COUNTRIES AS A SUMMER DESTINATION

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Abstract

In the last period of time, the tourism sector has witnessed the development of a new trend called the coolcation. The interest of the tourists for spending summer in destinations with mild temperatures has grown like never before due to the constant climate changes that made consumers rethink their vacation preferences. Destinations such as Norway, Denmark, Iceland or Sweden have become very popular amongst tourists because of the unique experiences promoted such as the Artic Circle, the Aurora Borealis or the Midnight Sun, tranforming them into must-visit countries during the warm season.

The enthusiasm for these destinations has also risen in Romania in the last years. While most of the Romanian tourists perceived the summer as a chance to vacation in sunny locations with access to the beach, a growing number of people now prefer exploring cultural attractions in colder regions.

Keywords: coolcation, Nordic destinations, summer vacation, tourism trend

JEL Classification: Z30, Z31, Z32, Z33

I. Coolcation – the new trend in European tourism

The climate changes seen in the recent years have led to the transformation of the tourism industry all over the globe, causing the emergence of an innovative phenomenon – the coolcation.

The coolcation is the new trend in the tourism industry that involves spending summer vacations in destinations with a temperate or cold climate. This preference appeared because of the extreme climate changes registered in Europe in the last decade, highlighted mainly in the holiday destinations in the Mediterranean Sea region. In countries such as Spain, Italy and Greece, extreme temperatures were recorded in 2023 and 2024, accompanied by wildfires and extreme drought.[4]

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[4] https://www.dw.com/en/coolcation-is-climate-change-transforming-travel/a-70187090

Moreover, the experts' forecasts regarding the climate show a constant increase in temperatures in the coming years, a fact that directly favors the growth of interest in colder destinations.

The Nordic countries became the region that experienced one of the biggest increases in demand in the post-pandemic years, a boost favored by summer temperatures maintaining at around 20-25 degrees Celsius, the absence of crowds and the possibility of participating in many activities in nature.

The growing interest for the Nordic destinations can be observed from the overall number of nighs spend in the summer of 2024. Finland, Norway, and Sweden saw a rise in the number of overnight stays compared to the previous summer. Out of all the four destinations, Sweden was the top pick for tourists, with the capital Stockholm being the favorite choice.[5]

Also, between June and August 2024, Norway experienced a historic increase in the number of registered night stays, setting a new record and measuring a 3% increase from last year.[6]

Tabel no. 1. Overnight stays in the Nordic destinations during summer 2024

Overnight stays (million)	Foreign	Domestic	Total
Sweden	8,5	20,5	29
Denmark	7,5	18,5	26
Norway	6,3	10,7	17
Finland	1,8	9,2	11
Iceland	3,1	6,9	10

Source: https://www.insights.visitory.io/post/tourism-boom-in-the-nordic-countries-the-key-figures-of-nordic-tourism-in-summer-2024

In addition to the fact that they offer mild temperatures during the summer, the northern destinations attract tourists due to their accessibility with various means of transportation. In the last decade, the major airlines have increased the number of flights to this region, adding new destinations every year. Moreover, all northern destinations have the common characteristic of being easy to discover by car during a road trip.

Another reason why tourists prefer these destinations is represented by the lack of crowding that can be found in the peak season in the coastal areas of Southern Europe, as well as the possibility of visiting new, less discovered regions that offer a multitude of activities for all types of preferences. From visiting the northern capitals or observing the Aurora Borealis to visiting volcanoes or glaciers

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5   https://www.insights.visitory.io/post/tourism-boom-in-the-nordic-countries-the-key-figures-of-nordic-tourism-in-summer-2024
6   https://www.insights.visitory.io/post/tourism-boom-in-the-nordic-countries-the-key-figures-of-nordic-tourism-in-summer-2024

in Iceland, practicing cycle tourism in Sweden or observing the white nights in Greenland, tourists can be attracted to various destinations that combine the mountain area with the coastal area.[7]

Among the most popular Nordic destinations are Iceland, Denmark, Sweden and Norway. They have developed their destination brand in recent years, creating strategic marketing plans and offering the highest quality experiences.

The Swedish tourism association, Visit Sweden, supports this change, underlyning the fact that tourists are increasingly interested in visiting places with mild climates. Their website emphasizes the shift from seeking warmth to seeking comfort in colder regions. In the same way, Visit Norway promotes trips to the north as a cool option to escape the hot summers of southern Europe.

The scientific article focuses on the reasons that led to the increase of curiosity for northern destinations, having a particular importance in the analysis of how Romanian tourists perceive this trend as a potential fashion for spending summer vacations in the future based on imminent climate changes.

Thus, this study has as main objectives:

- observing the factors that determine tourists to choose northern destinations
- identifying preferences regarding the organization of vacations in such destinations
- shaping the profile of the tourist willing to spend a summer vacation in the northern region of Europe

The importance of the objectives resides in the connection between them and the observation of the tourist market in Romania, with the main goal being the development of this trend through the creation of new tourist packages, the introduction of new air destinations and the adaptation of this phenomenon to the tourism conditions in our country.

The research method is grounded and focuses on understanding the knowledge in the field, with a qualitative research approach focused on describing the phenomenon by documenting current information and opinions and carrying out a survey-type study.

II. The impact of the coolcation on the tourism industry in the Northern destinations

The summer holidays spent in the northern region of Europe represent a major point of interest on the global tourism market, a fact that leads to the appearance of some experts' opinions that predict a change in the tourists behaviour and their preferences.

The EU Commission predicts changes in tourism models, with the countries of Northern Europe and Central Europe being prepared to benefit from a

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[7] https://www.visitnordic.com/en/nature-activities

fulminant increase in the number of tourists in the next decade. Destinations such as Denmark, Finland and Sweden are expected to be among the most popular, while countries such as Greece and Spain could see a drop of up to 30% in tourism receipts.[8]

The table below shows an upward trend in terms of the number of tourists who spent their vacation in a destination in the Nordic Region of Europe in the last 3 years. Moreover, tourist activity in the Nordic countries is also increasing in terms of overnight stays, which have exceeded pre-pandemic levels. The increase is most visible in Norway (+18%), Sweden (+12%), Iceland (12%) and Denmark (+9%). The increased fascination is partly fueled by the allure of wild landscapes and the mesmerizing northern lights.[9]

Figure no.1 Number of international tourist arrivals in The Northern Region of Europe, 2021-2023

Number of international tourist arrivals in the Northern Region of Europe in 2021-2023

Source:https://www.statista.com/statistics/261702/international-tourist-arrivals-in-europe-by-region/
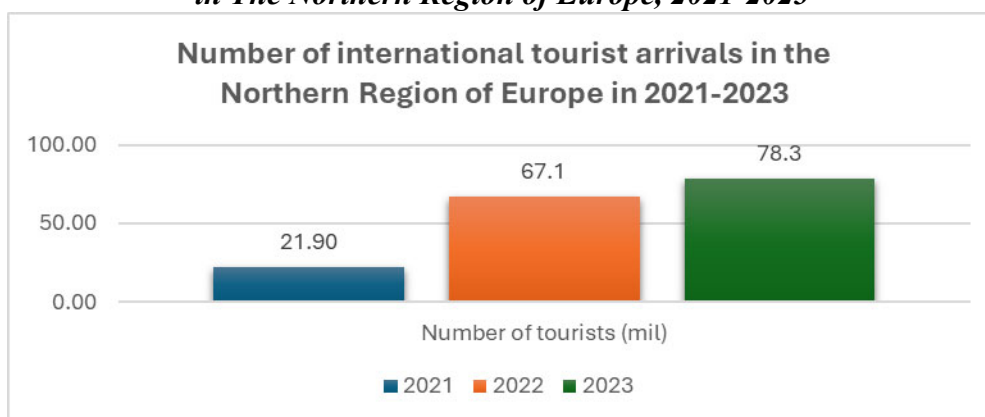
Additionally, the increased interest in these destinations leads to a stimulation of the local economy, in 2023 the northern region registering an increase of 6% compared to the previous year in terms of tourist expenses, reaching a level of 124 million dollars. [10]

The enthusiasm for spending summer vacation in the Nordic countries also led to the transformation of the tourist offer present in these destinations. In this sense, the Finnish tourism sector already knows the potential for increasing the number of tourists, so it offers unique experiences of spending some white nights in nature. At the same time, night hikes are planned in Lapland and Finland,

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[8] https://www.ndtv.com/world-news/climate-change-drives-surge-in-coolcation-travel-trends-what-you-need-to-know-6550151
[9] https://etc-corporate.org/news/european-tourism-recovery-continues-into-2024-with-travel-expenditure-expected-to-hit-record-numbers/
[10] https://www.infobae.com/wapo/2024/07/08/los-turistas-escapan-a-la-fresca-escandinavia-en-lugar-de-los-puntos-mas-calurosos-de-europa/

nature trips are promoted in Iceland to observe geysers and glaciers, and cruises to discover the fjords are organized in Norway.

Climate change is not the only explanation for the development of tourism in Scandinavia. Currency devaluations in Norway and Sweden have increased the attractiveness of these countries to foreign visitors.11 The area is also experiencing various advantages due to a growing trend in post-Covid travel globally.

One of the advantages given by the interest in these destinations is represented by the greater number of stops made by cruise ships in this region, a fact that brings more income to the economy of countries such as Iceland, Norway or Sweden.[12]

Also, the growing demand for these destinations has led to the expansion of foreign air travel, with major airlines adding connections with various European cities. In terms of domestic tourism, the companies in the area have increased the frequency of flights and added new routes to meet the needs of tourists and encourage the visit of more tourist attractions.

The effect that climate change has on tourism demand can also be seen through the analysis carried out by the British tourist cruise operator Iglu Cruise, which observed a 235% increase in 2023 compared to the previous year for cruises in the Arctic region, more precisely Finland, Sweden, Denmark and Norway.[13]

The global trend of spending vacations in northern destinations also extended to Romania, so that in 2023 the growth for such vacations increased by 30% compared to the pre-pandemic period.[14]

Another factor contributing to the increased interest in the Northern European region is sustainability. The Nordic countries are at the top of the European ranking in terms of eco-tourism, constantly implementing multiple sustainable policies and practices. In this way, the region attracts tourists who are more and more involved in protecting the environment and spending a vacation as healthy as possible, emphasizing the promotion of natural attractions and biodiversity, local gastronomy and authentic experiences.[15]

III. The interest of Romanian tourists for the Nordic destinations

This scientific article adopts a qualitative research with the aim of observing the interest of Romanian tourists for the Nordic destinations as a way of spending their summer vacation away from the hot temperatures and their effect on the

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[11]   https://www.euronews.com/business/2024/08/08/norwegian-tourism-gets-boost-as-weaker-kroner-draws-visitors

[12]   https://www.infobae.com/wapo/2024/07/08/los-turistas-escapan-a-la-fresca-escandinavia-en-lugar-de-los-puntos-mas-calurosos-de-europa/

[13] https://www.iglucruise.com/blog/travel-trends-the-rise-of-the-coolcation

[14]   https://economedia.ro/turistii-romani-interesati-de-destinatiile-din-europa-de-nord-cat-costa-o-croaziera-in-timpul-noptilor-albe-la-cercul-arctic.html

[15] https://bpholiday.com/scandinavian-summer-tourists-flock-to-cooler-destinations/

climate. For the purpose of the research, the questionnaire method was chosen, as we used a survey that included 27 questions answered by 56 respondents through an online app.

Regarding the analysis of the data resulting from the interviews, the strategy of data reduction through the coding method was used. Therefore, the information obtained was divided into categories based on a similarity of the answers and transposed into a table. A quantitative analysis was added to this method by establishing the frequency of certain terms and ordering the items according to the number of responses.

Regarding the analysis of the responses received, we observed an elevated level of enthusiasm of the respondents for this region, as 54% of them stated they prefer to spend their vacations in destinations with cold climates rather than hot climates and 80% of them responded they are interested in spending their summer holiday in a Nordic destination, aligning our country with the global trend known as Coolcation.

Another element we noticed is the close results in terms of preffered countries with Iceland leading the way with almost 30% of responses, folllowed by Norway with 24%, Denmark with 18% and Sweden with 17%.

Related to the favorite destinations is the attractiveness of the Nordic region offers. As seen in the table below, packages that include the discovery of Iceland and the possibility of observing the Aurora Borealis are at the top of interest for the Romanian tourists, succeded by the Fjords in Norway and the White Nights or the Midnight Sun.

Figure no.2 Attractiveness of Nordic tourist offers

Source: author

As for the main reasons of planning a vacation in the Nordic destinations, Romanian tourists stated that the Aurora Borealis is one of the most important parts that play in choosing a trip to this region, followed by the posibility to relax and detach as these countries offer a break from the overcrowding that happens in popular tourist destinations. The unique tourist attractions, the posibility to do activities in nature, the spectacular landscape or the mild climate are other reasons for which tourists would opt for these countries as a place to spend their summer vacation.

Figure no.3 Main reasons for planning a vacation in these destinations
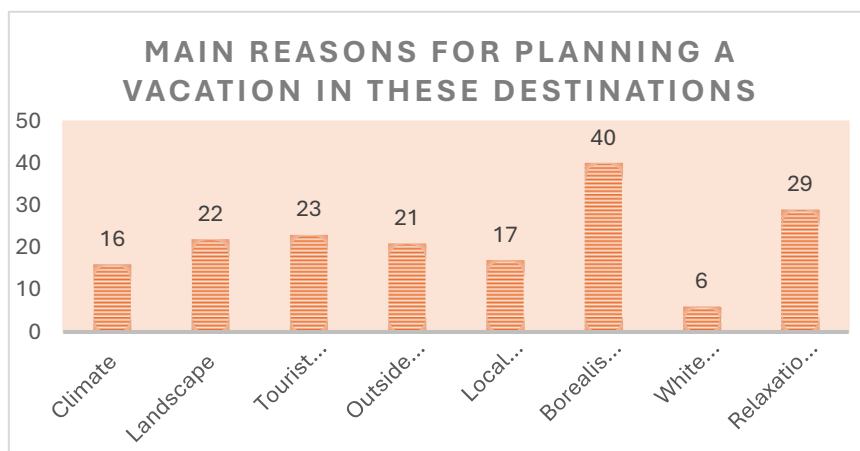
Source: author

In regards to the planning of a trip to the Northern region, 50% of people document about what activities they can do in the first two days, while 38% of them plan their whole trip with long time ahead, the first option to retract information about the experiences in the region being the Internet (93%). Also, 79% of the respondents said they organize the vacation alone, while only 21% of people choose a tourism agency either for the transport and the accomodation or for full packages.

Most of the tourists choose to travel in the months of June (29%) and September (34%) as these are the times when most of the destinations are less crowded and they can enjoy their real potential.

Additionally, the average period of stay is 4 to 7 days (48%) as it offers the time to visit more attractions and to spend more time discovering the nordic culture, followed by 8 to 10 days (27%) and 1 to 3 days (23%) for people who prefer city-breaks in the capitals of this region.

In regards to the actual vacation, the majority of respondents want to spend it with their family (50%) or friends (46%), choose individual planning (89%) rather than group planning (11%) and would spend a budget between 2000-5000

lei (61%) or above 5000 lei (30%), showing great interest to cultural attractions mixed with activities made in nature such as trekking or hiking (59%).

In order to get to the destination, 73% of the tourists opt for the plane, while the rest are divided between train and personal car. At the destination, tend to travel either with a rented car (36%) as it is convenient for road trips, with local buses (36%), mainly in the capitals and with the train (23%) as the the railway system in the region is extremely developed.

Most of the Romanian tourists prefer to spend their vacation in a hotel (52%) or an apartment (43%) and opt for a Bed&Breakfest type of meal (59%) as they want to experience the local cuisine outside of the accomodation.

In regards to the typical profile of the Romanian traveller who wants to spend the summer vacation in the Northern destinations the common characteristics include a frequency of travel of 2 to 3 times a year (63%), vacation time split in 3 breaks over the course of one year (64%), a preference for the mountain destinations (54%), an avearge age of 18 to 24 years old (36%), followed by 35 to 44 years old (29%), educational level at superior studies (59%), professional status at employee (59%) and student (34%) and an avearge monthly income of 4000-6000 lei (59%).

IV. Conclusions

Climate changes that happened in the last decade have affected the tourism industry, shaping and developing new trends along the years. The coolcation, a phenomenon that implies the spending of the summer vacations in regions with mild or cold temperatues has become extremely popular amongst tourists who are in the search for new, undiscovered attractions.

The Nordic region has started to record a growing number of tourists interested in destinations such as Norway, Iceland or Denmark or in activities such as exploring the fjords, seeing the Aurora Borealis or visiting the gheizers and volcanoes.

The Romanian tourists also seem to be part of this trend, as the demand for packages including the Northern destinations has witnessed a boost in the last years. The results of the study realized on the tourists show a growing enthusiasm for this region and a preference towards activities in nature mixed with cultural attractions, local cuisine and overall off the beaten track experiences.

Therefore, a development of the offers for this region can benefit the tourism market in Romania, as this trend is set to grow in intensity duet o the constant climate changes and rising temperatures recorded in the destinations that are now popular such as the Mediterannean region.

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MACROECONOMIC OUTLOOK FOR ROMANIA IN 2025

*Andrei Rădulescu**

Abstract

The macroeconomic climate deteriorated in Romania in 2024, as the annual dynamics of the fixed investments decelerated, under the pressure of the multiple challenges and uncertainties, including the stance of the public finance in the electoral context. The most recent available estimates point to the increase of the GDP by an annual pace below 1% for the period January – September 2024, the weakest dynamics since the pandemic year 2020. This paper employs standard econometric tools and uses the database of Eurostat in order to assess the recent macroeconomic developments and to calibrate the macroeconomic forecasts for the main macroeconomic indicators (GDP, unemployment rate, and inflation). According to the results of the methodology, in the core macroeconomic scenario the Romanian economy is forecasted to increase by an accelerating pace in 2025, an evolution supported by the improvement of the net foreign demand and by the continuity of the investment flows (also those oriented for the development of the critical infrastructure). However, we point out to the risk factors, including the deterioration of the climate on the international financial markets and the domestic fiscal policy that may determine a weaker macroeconomic performance, including the loss of the investment grade for Romania in 2025.

1. Introduction

The real and financial sides of the Romanian economy were influenced in 2024 by the international macro-financial climate and by the domestic factors, including the electoral context. There can be noticed the deterioration of the investment climate, in the context of the persistence of the uncertainties and the high level of the interest rates. For instance, the budget deficit/GDP ratio widened significantly in 2024, to almost 9% (the highest level since the pandemic year 2020) determining the continuity of the upward trend for the public debt/GDP ratio (rapidly converging towards 60%). These factors contributed to the severe decline of the economic confidence indicator in December 2024 (towards the lowest level since February 2024), being noticed the deterioration of the components industry, consumer, and retail, according to the European Commission (2025).

On the other hand, the household consumption accelerated in 2024, an evolution supported by the positive climate on the labour market (as the income

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policy was expansionary in the electoral context) and by the slowing-down of the inflationary pressures.

The deterioration of the investment climate corroborated with the unsustainable income policy (the spending with the public wages advanced by over 23% YoY in 2024) resulted in the widening of the international trade gap past year, with the net foreign demand substracting 1.8pps from the annual pace of the GDP during January-September 2024, according to the provisional data (2) released by the National Institute of Statistics (2025, a).

2025 started in a context of the persistence of the uncertainties at a very high level, either at the world and European levels (given the geo-political tensions and the unknowns regarding the policies to be implemented in USA), or in Romania (the political context and the tough stance in terms of public finance). For instance, the Fitch (2024) decided in December last year to downwardly revise the rating outlook for Romania, from stable to negative, given the high level of political uncertainty, the large budget deficit and the increase of the public debt.

However, the New Administration launched fiscal consolidation measures (including the freezing of the public wages and of the public pensions, as also underlined by Euractiv (2024)) aiming to respect the target for the budget deficit/GDP ratio established with the European Commission (2024) for this year (7%).

Furthermore, the public investment plans (financed by the European Commission) are forecasted to continue in 2025.

In this paper standard econometric tools are implemented and Eurostat database is used in order to assess the recent developments and to forecast the evolutions for the main macroeconomic indicators in Romania (GDP, unemployment rate, and inflation) in 2025.

The results of the econometric analysis express prospects for the continuity of the post-pandemic recovery process in Romania, with an accelerating pace in 2025, unless the climate on the international financial markets deteriorates significantly.

The rest of the paper has the following structure: next chapter focuses on the recent macroeconomic developments in Romania; the third chapter briefly presents the methodology employed; the interpretation of the results is realised in the fourth chapter; the main conclusions are drawn in the last chapter.

2. The Recent Macroeconomic Developments in Romania

The Romanian economy continued the post-pandemic recovery process in 2024, but the annual pace of the GDP deteriorated, due to the international tensions, the tough macroeconomic climate in the European Union (the main economic partner) and the domestic challenges (public finance and political landscape), with negative impact for the investments.

According to the estimates of Eurostat (2025, a) the GDP contracted by 0.1% YoY in 3Q 2024, the weakest performance since 4Q 2020, as the gross fixed capital formation resumed contraction (down by 0.6% YoY), for the first time since 2Q 2022, as can be noticed in the following chart (Figure 1). The deterioration of the investment climate (also confirmed by the decline of the foreign direct investments to EUR 5,852mn during January – November 2024, from EUR 6,611mn a year ago, according to the estimates of the National Bank of Romania (2025)) was determined by several factors, including the widening budget deficit in the electoral context, the persistence of the geo-political tensions and the high levels of the financing costs.

Figure 1. GDP, Private Consumption and Gross Fixed Capital Formation in Romania (%, YoY)
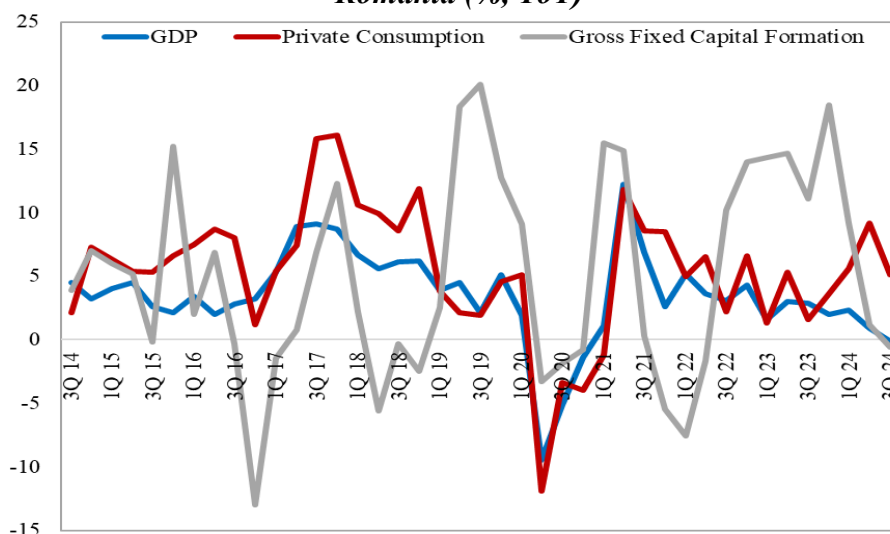
Source: Eurostat (2025)

Furthermore, the volume of the exports declined for the fifth quarter in a row in 3Q 2024, by an intensifying YoY pace to 6.0%, the most severe contraction since 3Q 2020, given the weak dynamics of the economic activity in the European Union and the challenges in terms of international competitiveness of the domestic economy. These challenges are also reflected by the upward trend for the real effective exchange rate of the RON, towards the highest level since the autumn of 2007, according to the estimates of the Bank for International Settlements (BIS, 2025).

Last, but not least, the change in inventories had a negative contribution to the annual pace of the GDP for the eighth quarter in a row in 3Q 2024, the longest timespan since Eurostat publishes quarterly data, as can be noticed in the following chart (Figure 2).

On the other hand, the private consumption (the main component of the GDP, with a contribution of around 62% in 2023) continued to increase by a strong pace in 3Q 2024, above 5% YoY, an evolution supported by the expansionary income policy in the electoral context.

Figure 2. The contribution of the change in inventories to the YoY pace of the GDP in Romania (pp)
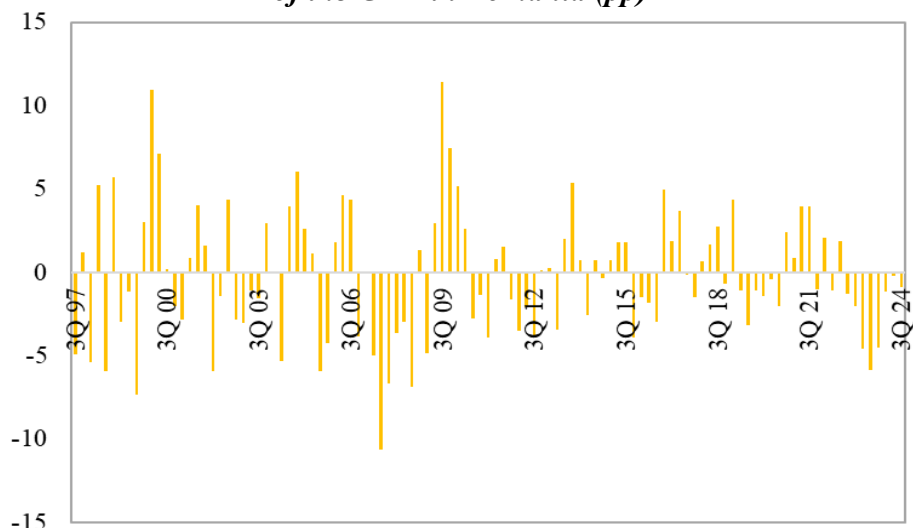
Source: Eurostat (2025)

However, despite the deterioration of the dynamics of the GDP the climate on the labour market improved in 2024. The estimates of Eurostat (2025, b) show the decline of the number of unemployed (15 – 74 years) by an average annual pace of 1.3% in Romania in the period January – November 2024. This evolution was in convergence with that in Euroland (down by 1.4%), but in divergence with the developments across the CEE countries. The Eurostat estimates indicate the increase of the number of the unemployed by average annual paces of 5.1% in Poland, 4.0% in Czechia, and 8.5% in Hungary for the period January – November 2024.

The unemployment rate declined for the second month in a row in November 2024, by 0.1pps MoM to 5.3%, the lowest level since June 2024. Consequently, during January – November 2024 the unemployment rate presented an average level of 5.4% in Romania, down from 5.6% a year ago, an evolution in convergence with that in Euroland (down by 0.2pps YoY to 6.4%). In Poland, Czechia, and Hungary the unemployment rate presented average levels of 3.0%, 2.8% and 4.4% for the period January – November 2024, up by 0.1pps YoY, 0.1pps YoY, and 0.3pps YoY, respectively, as can be noticed in the following chart (Figure 3).

Figure 3. The unemployment rate (%)
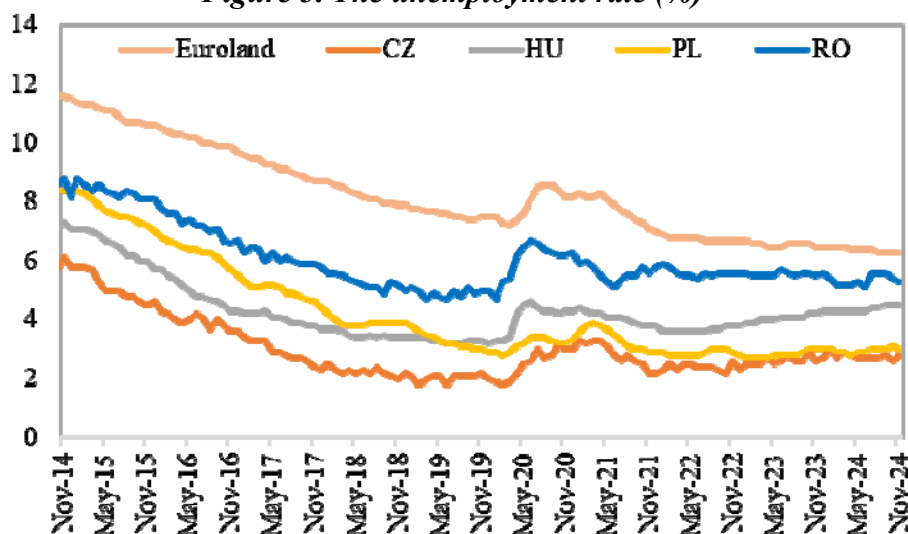
Source: Eurostat (2025)

On the other hand, the inflationary pressures decelerated in 2024, the consumer prices climbing by an average annual pace of 5.6% (according to the estimates of the National Institute of Statistics, 2025, b), slowing down from 10.5% in 2023. This evolution was mainly determined by the deceleration of the YoY pace for the prices of the food goods, from 15.2% in 2023 to 3.6% in 2024. Furthermore, the prices of the non-food goods and the services' tariffs rose by average annual paces of 5.8% and 8.9% in 2024, weaker dynamics compared to 7.2% and 11.2% in 2023.

In terms of the Harmonised Index of the Consumer Prices (HICP) the consumer prices rose by an average annual pace of 5.9% in 2024, slowing down from 9.7% in 2023.

In the summer of 2024 the National Bank of Romania (2024) initiated a rate cut cycle, given the slowing-down of the inflationary pressures and the deterioration of the pace of the economic activity. The central bank cut the monetary policy rate by 25bps at the meetings in July and August 2024. However, the central bank interrupted this cycle in the autumn of 2024, as the annual pace of the consumer prices persisted above the target, while the risk perception intensified, in the context of the political tensions. Therefore, at the end of 2024 the monetary policy rate stood at 6.50%, down from 7.00% the level of the end of 2023.

At the end of this chapter we point out to the deterioration of the economic confidence in Romania at the end of last year (the indicator estimated by the European Commission declined to the lowest level since February 2024), an evolution determined by the political tensions and the critical stance of the publice finance.

3. Methodology

In this paper we applied standard econometric tools and the database of Eurostat and National Institute of Statistics (NIS) in order to forecast the evolutions in the mid-run for the main macroeconomic indicators in Romania – GDP, unemployment rate, and inflation rate.

First of all, the GDP was decomposed from the demand side perspective, as in the following relation:

$$\text{GDP=Private Consumption + Gross Capital Formation + Public Consumption + Exports – Imports} \tag{1}$$

Afterwards, the ARIMA (Auto-Regressive Integrated Moving Average) models in order to forecast the evolution of the annual pace of the components of the GDP (as in the previous relation), the unemployment rate and the inflation rate in Romania for the period 2025 – 2027.

The ARIMA model can be expressed by following relation, as emphasized by University of Duke (2025):

$$\hat{y}_t \;=\; \mu + \phi_1\, y_{t-1} + \ldots + \phi_p\, y_{t-p} - \theta_1 e_{t-1} - \ldots - \theta_q e_{t-q} \tag{2}$$

in which $\hat{y}_t$ is the macroeconomic indicator, ϕ_{1-p} represent the Auto-Regressive parameters, while θ_{1-q} are the Moving Average parameters.

As regards the components of the GDP we worked with quarterly observations for their annual pace (unadjusted data, neither seasonally adjusted, nor calendar adjusted dat) from the database of Eurostat (2025, a), for the period 1Q 1996 – 3Q 2024.

For the unemployment rate in Romania we used the monthly observations, seasonally and calendar adjusted data, from Eurostat (2025, b).

In order to forecast the dynamic of inflation in Romania in the mid-run we used the montly observations for the annual pace of the consumer prices (Harmonised Index of the Consumer Prices) from the database of the National Institute of Statistics (2025, b).

The ARIMA models were applied for the macroeconomic indicators, but also for the trend components of these macroeconomic indicators.

The trend component of the macroeconomic indicators was estimated by applying the Hodrick-Prescott (1997) methodolody, which is expressed in the following relation:

$$\mathbf{Min} \sum_{t=1}^{T} \left(\ln Y_t - \ln Y_t^* \right)^2 + \lambda \sum_{t=2}^{T-1} \left(\left(\ln Y_{t+1}^* - \ln Y_t^* \right) - \left(\ln Y_t^* - \ln Y_{t-1}^* \right) \right)^2 \tag{3}$$

where Y_t, Y_t^* şi λ are the macroeconomic indicator, its trend, and the smoothness parameter (the lower its value, the closer is the pace of GDP to its trend).

For the components of GDP (quarterly observations) we applied a parameter of 1600, while for unemployment rate and inflation (monthly observations) a parameter of 14400 was used, as recommended by the article of Hodrick-Prescott.

Before applying the ARIMA models the data were tested for stationarity by applying the Augmented Dickey-Fuller method, as decribed by Mushtaq (2011).

After we selected the parameters of the ARIMA models and estimating the regressions we started the assessment of the model, by looking at the histogram of the residuals.

The results of the regressions were used eventually in order to calibrate the so-called core macroeconomic scenario, also taking into account the prospects for the evolution of the world economy and the economy of Euroland (the main economic partner of Romania), as outlined by the International Monetary Fund (2024) in the World Economic Outlook, the edition of October 2024.

Last, but not least, in calibrating the forecasts for the evolution of the main macroeconomic indicators in Romania in the mid-run we took into account our assessment regarding the balance of risks (geo-political, macro-financial, and climate), international and domestic.

4. The Interpretation of the Results

According to the calibrated macroeconomic scenario (based on the methodology described in the previous chapter) the Romanian GDP may increase by annual paces improving from around 1% estimated for 2024 to 2.7% in 2025, 3.1% in 2026 and 3.3% in 2027.

In this scenario the post-pandemic investment cycle would continue in the coming quarters, supported by the implementation of the programs to develop the critical infrastructure and by the prospects for the gradual improvement of the macroeconomic climate in Euroland (with impact for the dynamics of the exports) and for the rebalancing of the economic policy-mix in Romania.

In our view the Administration would implement strong measures for the consolidation of the public finance (in order for the budget deficit/GDP ratio to attain the threshold of 7% in 2025), while the central bank would continue to cut the monetary policy rate (by at least 1pp this year), as inflation converges to the target interval (1.5% - 3.5%).

For the private consumption (the main component of the GDP from the demand side perspective, weighting 61.9% in 2023) the forecasts point to the significant slowing-down of the annual pace, from an estimated 6.1% in 2024 to 2.7% in 2025, given the prospects for the increase of the household savings rate (towards the highest level since the pandemic year 2020), in the context of the persistence of the uncertainties and the implementation of fiscal consolidation measures (including the freezing of the public wages and pensions).

However, annual pace of the private consumption would gradually accelerate afterwards, to 3.0% in 2026 and 3.4% in 2027, as inflationary pressures are slowing down (with impact for interest rates), while the wages would continue the convergence process towards the Western European countries.

As regards the public consumption our forecasts point to the increase by annual paces of 1.3% in 2025, 1.7% in 2026, and 1.6% in 2027 (following the estimated stagnation in 2024), as the manoevre room in terms of fiscal and income policies is limited, after the significant widening of the budget deficit in 2024 (to around 9% of GDP).

Moving to the net foreign demand, we forecast the gradual improvement of the annual pace of the exports in the mid – run, 1.9% in 2025, 2.3% in 2026 and 2.5% in 2027, after the estimated contraction by over 3% in 2024. This perspective is supported by the prospects for the improvement of the macroeconomic climate in the Euroland and by structural factors, including the full entry into the Schengen area from 1st January 2025.

In our scenario annual pace for the volume of the total imports (goods and services) would decelerate in 2025 (to 1.3%), from an estimated 3.4% in 2024, as the fiscal consolidation process would determine the increase of th savings rate. The annual pace of the imports may accelerate afterwards, to 2.2% in 2026 and 2.4% in 2027 in this macroeconomic scenario.

Across the labour market, the calibrated forecasts point to the gradual increase of the annual rate of unemployment, from around 5.3% in 2024 to 5.5% in 2025, 5.6% in 2026, and 5.8% in 2027. This perspective is supported by the intensification of the implementation of the technological progress (especially in the public sector) and by the prospects for the reform of the public administration.

Also the prospects for the intensification of the mergers and acquisitions across all sectors of the economy and the continuity of the upward trend for the minimum wages would contribute to the increase of the unemployement rate in the coming quarters.

However, the unemployment rate would maintain below the average level in Euroland in the coming years in our view.

Last, but not least, in this calibrated macroeconomic scenario the consumer prices (based on the EU Harmonised Index) would increase by average annual paces slowing down from 5.9% in 2024 to 4.9% in 2025, 4.3% in 2026 and 3.6% in 2027.

The prospects for the evolution of inflation and for the implementation of the measure to consolidate the public finance would contribute to the increase of the manoevre room for the central bank to continue to cut the monetary policy rate, by at least 1pp in 2025, and 0.5pps in 2026 and 2027, in our view.

5. Conclusions

The calibrated macroeconomic scenario for the Romanian economy in the mid-run may appear optimistic at the beginning of 2025, taking into account the challenges, international (the geo-political tensions, and the uncertainties associated to the economic policy to be implemented in the United States) and domestic (including the difficult stance of the public finance).

However, we point out that unless the risks intensify the growth pace in Romania may accelerate even more in 2025, as the contribution of the change in inventories to the annual pace of the economy was negative for eight quarters in a row (the longest period over the past decades), while the agricultural output may hit a record high level this year. Furthermore, the full entry into the Schengen area and the impact of the infrastructure projects finished in 2024 and under implementation in 2025 are factors that may contribute to a higher increase of the fixed investments and of the exports.

On the other hand, we point out the risk factors for the evolution of the Romanian economy in the short-run: the possibility of a significant deterioration of the investment climate on the international financial markets; the probability for Romania to be downgraded to junk category by the Rating Agencies (if the fiscal consolidation measures needed for the adjustment of the budget deficit ratio to 7% of GDP are not implemented); the persistence of the geo-political tensions and of the geo-economic fragmentation at high levels; the political landscape in Romania.

In the adverse macroeconomic scenario (if the above-mentioned risk factors materialise) the Romanian economy may be confronted with a severe recession in 2025.

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Integrating Circular Economy Principles in the Tourism Industry: challenges and opportunities for Romania

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Abstract

 The tourism industry, one of the largest and fastest-growing economic sectors globally, is also a significant contributor to environmental degradation through resource consumption, waste generation, and carbon emissions. Integrating circular economy (CE) principles into tourism offers a transformative opportunity to address these issues by promoting waste reduction, resource efficiency, and the regeneration of natural systems. This paper explores the potential of the circular economy in tourism, focusing on the adoption of CE practices such as resource recovery, product life extension, and circular design in accommodations, transport, and tourism-related services, focusing on Romania. Key challenges include the industry's dependency on linear economic models, lack of awareness, regulatory barriers, and fragmented supply chains. On the other hand, opportunities arise from technological innovations, growing consumer demand for sustainable travel, and the potential to reduce costs through resource efficiency.

1. Introduction

 Tourism is one of the fastest-growing sectors worldwide, making a substantial contribution to economic growth, employment generation, and poverty alleviation (Lee S., 2009). In 2019, prior to the pandemic, it directly or indirectly supported 334 million jobs, accounted for 10.4% of global GDP (USD 10.3 trillion), contributed 28.3% to global service exports, and represented 14.3% of global investments. By 2023, the travel and tourism sector contributed 9.1% to global GDP and created 27 million new jobs. Projections suggest that by 2033, its share of global GDP will rise to 11.2%, and its contribution to employment will reach 13.4%. According to the 2023 report from the United Nations World Tourism Organization (UNWTO), tourism activities have nearly returned to pre-pandemic levels. While tourism plays a vital role in driving economic growth and influencing global mobility, it also faces criticism due to its environmental impact. The sector has been linked to various environmental challenges, including high energy consumption (Zhu S., 2022), pollution, ecological degradation, and the generation of substantial waste (Surdez-Perez et all., 2024, Allkins, 2025). Additionally, the construction of tourism infrastructure,

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such as roads, airports, and other facilities, contributes further to environmental concerns.

The tourism industry is a vital component of Romania's economy, offering unique cultural, historical, and natural attractions that draw millions of visitors annually. From the picturesque Carpathian Mountains to the Danube Delta and the medieval charm of Transylvania, Romania's diverse landscapes and rich heritage position it as a competitive player in the European tourism market. However, the rapid growth of tourism has also brought environmental and social challenges, such as resource depletion, waste generation, and the degradation of natural ecosystems.

Romania's tourism sector has demonstrated significant growth in recent years, with notable increases in both domestic and international visitors. In 2023, the number of arrivals at accommodations in Romania reached 13.6 million, while in the first nine months of 2024, the total stood at 11.15 million (Statista, 2025). These visitors collectively spent around 5.2 billion lei (approximately 1 billion euros) during their stays. Overnight stays also rose by 3.4%, totaling 15.975 million. Domestic tourists comprised 82.9% of arrivals, while international visitors accounted for 17.1%. Among foreign tourists, the leading countries of origin were Germany (128,900 arrivals), Italy (117,800), and Israel (83,100).

Despite these positive developments, the recovery of international tourism in Romania has been slower compared to domestic tourism. As of 2023, the number of foreign tourists remained about 25% below pre-pandemic levels. Nevertheless, the hospitality sector is poised for expansion, with plans to add nearly 2,000 rooms between 2024 and 2026, indicating a commitment to both quantitative and qualitative growth.

2. Circular Economy in the Tourism Sector

The Circular Economy (CE) is an economic model designed to minimize waste (Morseletto, 2020) and maximize resource efficiency by encouraging the reuse, repair, refurbishment, recycling (EllenMacarthur Foundation), and sustainable management of materials and products throughout their lifecycle, an economic system that represents a paradigm shift in how human society interacts with and depends on nature (Prieto-Sandoval et al. 2018). Unlike the traditional linear economy (Nart, 2021), which follows a take-make-dispose approach (Bugain, 2020), CE seeks to keep resources in use for as long as possible, extract maximum value from them, and regenerate natural systems. This approach reduces environmental impact, improves resource efficiency, fosters innovation, and contributes to economic resilience and sustainability (Davies & Egas 2022).

Traditional tourism models rely heavily on a linear economy, characterized by resource-intensive practices that contribute to resource depletion and environmental pollution. Tourists, on average, generate 1.67 kilograms of waste

per day (Gruber et al., 2017), significantly exceeding the waste levels of local households. This disproportionate waste generation highlights the sector's substantial environmental impact. Transitioning to a circular economy offers a viable solution to these challenges by promoting the sustainable use and management of resources within the tourism industry (Allkins, 2025).

One important element of CE in tourism is resource recovery, which involves implementing waste management systems that prioritize recycling and composting. For example, hotels and resorts can adopt practices such as composting food waste (Maleforst, 2019, Delgado, 2023) and recovering energy from organic materials. In this regard, waste disposal systems should be restructured to ensure that reusable materials are separated and processed in a way that reduces the environmental footprint of the tourism sector. Hotels and resorts could also use technologies that help manage energy and water consumption more effectively (Manniche, 2017), ensuring that these resources are reused as much as possible.

Product life extension is another key principle in circular tourism, when it comes to reuse (Lopes de Sousa Jabbour, 2018). This involves extending the lifecycle of tourism-related products, such as furniture, linens, and equipment, through repair, refurbishment, and reuse. Instead of discarding items once they become worn, businesses in the tourism industry can invest in repair services, repurpose old furniture, or buy second-hand items that can be refurbished to maintain functionality and appeal. For instance, older but well-maintained hotel furniture could be refurbished and reused rather than replaced with new products, cutting down on waste and conserving resources.

Circular design encourages the creation of tourism-related facilities and services that are modular, repairable, and recyclable. Tourism infrastructure such as eco-lodges, resorts, and even local transportation systems can be designed with sustainability in mind, using sustainable materials that are both durable and recyclable. The aim is to reduce environmental impacts through the use of materials that can be repurposed or disposed of in an environmentally friendly way, making it easier to recycle or reuse components once they reach the end of their useful life. This could include designing buildings with energy-efficient systems or using construction materials like bamboo, recycled metal, and natural stones that have a smaller environmental footprint.

Furthermore, sharing economy models (Naydenov, 2018) can contribute to resource efficiency by encouraging travelers to share resources through platforms like car-sharing services and vacation rentals. By sharing transportation or accommodation, travelers can minimize the need for additional infrastructure and reduce energy consumption. For example, car-sharing services reduce the need for each traveler to own a car, thus lessening the overall demand for fossil fuels and decreasing vehicle emissions. Likewise, vacation rentals encourage

the use of existing housing stock, reducing the need for the construction of new hotels or resorts, which can have significant environmental and resource costs.

While the potential for implementing CE in tourism is great, the transition to a circular model faces several significant challenges (Kirchherr et al., 2018). One major barrier is the dependency on linear models, where products are made, used, and then disposed of. The tourism industry's current infrastructure and business models are built around a linear "take, make, dispose" approach, which is in stark contrast to the principles of circularity. Transitioning to a circular economy requires significant investments in new systems, processes, and technologies, which can be complex and costly. For instance, hotels and resorts would need to upgrade their waste management systems, redesign facilities, and train staff to handle circular practices, which could be financially burdensome for some businesses.

Another challenge is the lack of awareness and education surrounding the benefits and practices of the circular economy. Many tourism stakeholders, including businesses, consumers, and local communities, may not fully understand what a circular economy entails or how it can benefit them. Without education and awareness campaigns, the adoption of CE principles could be slow, as many may continue to rely on traditional linear models that prioritize short-term profits over long-term sustainability. Stakeholders need to be educated on how circular practices can lead to both environmental and economic benefits, such as reducing operational costs, attracting eco-conscious travelers, and contributing to the local economy.

Regulatory barriers also complicate the widespread implementation of CE in tourism. Different regions often have inconsistent regulations, standards, and policies regarding waste management, resource recovery, and environmental impact. These disparities can create confusion and inefficiencies for businesses that want to adopt circular practices but are hindered by local or national laws. Harmonizing regulations across regions and ensuring that businesses have access to clear guidelines can help overcome this challenge.

The fragmentation of supply chains in tourism is another obstacle. The tourism industry involves a wide range of stakeholders, including hotels, transportation providers, tour operators, local governments, and communities. Each stakeholder may have different goals, resources, and constraints, which can make it difficult to coordinate circular practices across the entire sector. Collaboration and alignment between these stakeholders are crucial for the successful implementation of CE principles in tourism, yet achieving such coordination is often a complex task.

Despite these challenges, there are several promising opportunities for advancing the circular economy within the tourism industry. One such opportunity lies in technological innovations. Emerging technologies such as the Internet of

Things (IoT), blockchain, and smart sensors can play a crucial role in enhancing resource tracking, waste management, and energy efficiency. For example, IoT devices can monitor energy use in real-time, enabling businesses to optimize their resource consumption and reduce waste. Blockchain technology can help track the provenance and recycling of materials, ensuring transparency and accountability in the circular economy.

Additionally, consumer demand for sustainability is steadily increasing, with more travelers seeking environmentally responsible experiences. This growing demand provides a strong market incentive for tourism businesses to adopt circular economy practices. Consumers are increasingly prioritizing eco-friendly accommodations, low-impact transportation options, and sustainable tourism activities, which creates a competitive advantage for businesses that embrace circularity.

The cost savings that come from resource efficiency and waste reduction present another compelling reason for businesses to consider CE. By reducing waste, conserving water and energy, and reusing products, businesses can cut down on operating costs in the long run. For example, hotels that implement energy-saving measures, like LED lighting or water-efficient systems, can significantly lower their utility bills. Furthermore, reducing waste can lower disposal costs, benefiting the bottom line.

Lastly, collaborative models among stakeholders, such as partnerships between governments, businesses, and non-governmental organizations (NGOs), can drive collective action towards the adoption of CE practices. Governments can provide incentives, subsidies, and clear regulations that encourage circular practices, while businesses can collaborate to share resources, knowledge, and best practices. NGOs can play a key role in raising awareness and educating consumers and businesses alike about the benefits of CE. By working together, stakeholders can overcome the challenges of fragmentation and create a more sustainable tourism sector.

3. The Romanian context: challenges to circular economy adoption in Romania`s tourism industry

The CE is becoming increasingly important in Romania, establishing itself as a core pillar of the country's sustainable development strategy (Nowak-Marchewka, 2025), but the adoption of CE principles in Romania's tourism sector is confronted with a range of interconnected challenges that require significant attention and action to overcome.

One of the primary obstacles is the widespread lack of awareness and education regarding CE principles (Ministerul Mediului, 2022). Many tourism operators remain unfamiliar with the concept and its potential to drive sustainability and cost efficiency. This gap in understanding is not limited to the

supply side; consumers, who are key drivers of demand for sustainable practices, often lack the necessary knowledge to prioritize and support CE-driven tourism services. Without sufficient awareness, the push for environmentally conscious practices remains weak, undermining efforts to shift the industry toward sustainability.

Regulatory and policy-related barriers present another critical challenge. Although Romania has developed national strategies that emphasize environmental sustainability, there is a noticeable absence of specific regulations and tailored incentives to promote CE practices within the tourism sector. For example, laws and policies that encourage waste reduction, resource efficiency, or green certification for hospitality businesses are either lacking or poorly enforced. Bureaucratic inefficiencies, combined with inconsistent enforcement of existing environmental regulations, create further disincentives for businesses considering the adoption of circular principles. These hurdles foster an environment where linear practices persist, perpetuating wastefulness and environmental degradation.

A clear example of the need for improved waste management and circular practices in Romania's tourism sector can be seen in the comparison of waste generation between Romania and the EU. As shown in Figure 1, Romania consistently generates more waste per capita than the EU average, despite its lower levels of economic activity. This disparity highlights the urgent need for targeted interventions to reduce waste and align Romania's tourism sector with CE principles.

Figure 1. Waste generation in Romania vs. EU (kg per capita)
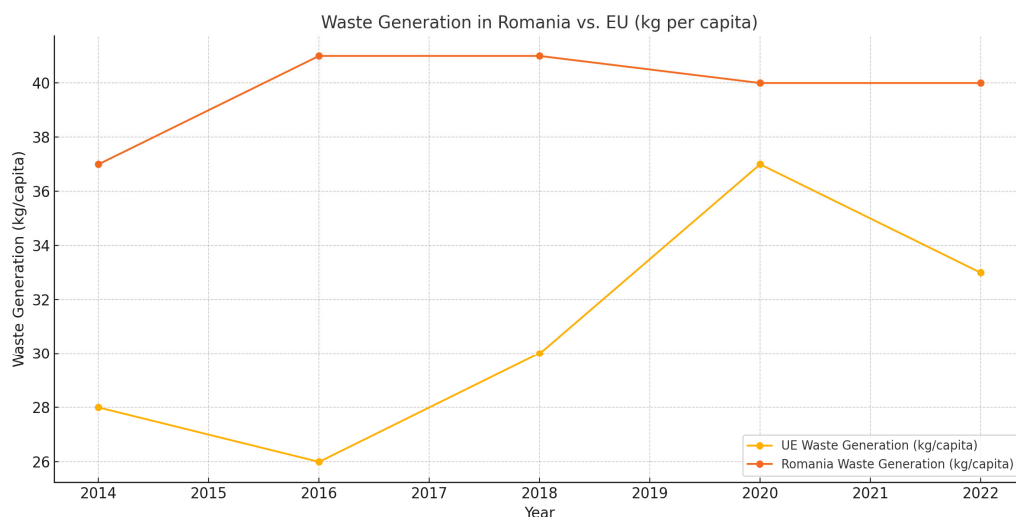
Source: Eurostat, 2025

Financial constraints add yet another layer of difficulty, particularly for small and medium-sized enterprises (SMEs), which dominate Romania's tourism industry. The implementation of CE practices, such as investing in renewable energy, efficient waste management systems, or sustainable infrastructure, often requires substantial upfront capital. For many SMEs, the lack of access to affordable financing options and the absence of financial incentives, such as grants or tax breaks, create significant barriers. Consequently, even those businesses that are aware of CE benefits may find themselves unable to adopt such practices due to resource limitations.

Infrastructure deficiencies further compound these challenges, especially in rural and remote tourist destinations where waste management and recycling systems are underdeveloped or entirely absent. Effective CE implementation relies on facilities for proper waste segregation, recycling, and environmentally sound disposal, but such infrastructure is often inadequate or nonexistent in key tourism areas. This limitation not only hinders businesses but also places additional strain on local environments, as waste accumulates and natural resources are depleted without effective management.

Finally, cultural resistance to change represents a less tangible but equally significant challenge. Traditional business models, which prioritize short-term profits over sustainability, remain deeply entrenched within the tourism sector. Similarly, consumer habits are often shaped by convenience and familiarity, favoring the linear "take-make-dispose" model over more sustainable approaches. Overcoming these long-standing behaviors requires more than just policy changes; it demands a concerted effort to raise awareness, educate stakeholders, and cultivate a cultural shift toward sustainability.

These challenges, though significant, are not insurmountable. They highlight the need for a comprehensive and coordinated approach that addresses the economic, infrastructural, regulatory, and cultural dimensions of Romania's tourism sector. Only by tackling these barriers holistically can CE principles take root and transform the industry into a sustainable driver of economic growth.

4. Opportunities for integrating circular economy principles in Romania's tourism industry

Despite the challenges, Romania's tourism sector presents numerous opportunities to integrate Circular Economy (CE) principles and promote sustainability. A significant opportunity lies in the supportive policy framework established by the Romanian government, including the National Strategy for the Circular Economy (SNEC) and the National Action Plan for Circular Economy (PAEC). These frameworks provide a foundation for specific incentives such as tax breaks, grants, or subsidies. For example, tax incentives could encourage

hotel chains to install renewable energy systems like solar panels or adopt waste-reducing measures such as composting organic waste.

Capacity building and education also offer significant potential to advance CE adoption. Developing comprehensive training programs for hospitality workers can improve their understanding of sustainable practices, such as energy conservation or waste management.

Educational campaigns aimed at tourists can promote responsible consumption, such as reducing single-use plastics. For instance, collaborations with academic institutions like the University of Bucharest or industry organizations such as the Romanian Tourism Employers Federation could facilitate the creation of sustainability workshops and awareness campaigns.

Innovation and technology are transformative forces that can accelerate CE integration. Digital platforms, such as local sharing economy initiatives, can reduce resource use while enhancing tourist experiences. For example, platforms like Viscri 125, which promotes rural tourism, could integrate technology to share resources such as accommodation or transport more efficiently. Technological advancements, such as smart water systems in hotels or energy-efficient appliances, can also minimize environmental impact while cutting operational costs. An example is the use of keycard systems in hotels to control electricity use, ensuring that energy is consumed only when rooms are occupied.

Community engagement represents another critical opportunity. Local communities can be actively involved in designing and implementing CE-driven tourism practices that align with their cultural and environmental values. For instance, in the Maramureș region, traditional crafts and sustainable farming practices could be integrated into tourism offerings, creating authentic experiences while supporting local livelihoods. Additionally, waste management programs could involve communities, such as establishing local recycling hubs or composting facilities in rural areas.

Finally, the global shift toward sustainable tourism creates a growing market for environmentally conscious travel options. Romanian tourism businesses adopting CE principles can tap into this demand by offering eco-friendly experiences, such as stays in green-certified accommodations or guided tours focused on nature conservation. For example, the Danube Delta, a UNESCO World Heritage Site, could attract eco-tourists by emphasizing biodiversity preservation and sustainable activities like birdwatching and kayaking.

These examples underscore the potential for CE principles to transform Romania's tourism industry into a model of sustainability. By leveraging policy support, fostering education, embracing innovation, engaging communities, and meeting global market demand, Romania can build a resilient and sustainable tourism sector.

5. Conclusion

The integration of Circular Economy (CE) principles into Romania's tourism industry represents a transformative opportunity to address pressing environmental challenges while enhancing the sector's resilience and competitiveness. As one of the fastest-growing industries globally, tourism plays a pivotal role in Romania's economy, contributing significantly to GDP and employment. However, the reliance on traditional, linear economic models has led to resource depletion, waste generation, and environmental degradation, necessitating a shift toward more sustainable practices.

Romania faces unique challenges in adopting CE principles within its tourism sector. These include a lack of awareness and education among stakeholders, regulatory gaps, financial constraints, and underdeveloped infrastructure. For instance, despite notable growth in tourism, waste generation in Romania remains significantly higher than the EU average, illustrating the urgent need for targeted interventions. Furthermore, the dominance of small and medium-sized enterprises (SMEs) in the tourism sector complicates the transition due to limited access to financial resources and sustainable technologies.

Despite these barriers, Romania is well-positioned to capitalize on the opportunities presented by CE adoption. Supportive policy frameworks, such as the National Strategy for the Circular Economy (SNEC) and the National Action Plan for Circular Economy (PAEC), provide a solid foundation for sustainable development. Technological innovations, including smart energy and water management systems, digital platforms for resource sharing, and waste recovery technologies, can accelerate the transition to circularity. Additionally, consumer demand for sustainable tourism experiences is growing, creating a competitive advantage for businesses that prioritize environmental responsibility.

Key principles of CE, such as resource recovery, product life extension, circular design, and sharing economy models, offer practical pathways for reducing waste, conserving resources, and minimizing the environmental impact of tourism activities. For example, implementing composting and recycling programs in hotels, refurbishing tourism-related products, and integrating eco-friendly materials into infrastructure design can significantly enhance resource efficiency. Moreover, community engagement and education initiatives can foster cultural shifts toward sustainability, empowering local populations to participate actively in CE practices.

In conclusion, Romania's tourism sector stands at a crossroads, with the potential to become a model of sustainability in Europe through the adoption of Circular Economy principles. By addressing economic, regulatory, infrastructural, and cultural barriers holistically, the sector can transition from a resource-intensive model to a regenerative and resilient one. Embracing CE not only aligns with

global sustainability goals but also positions Romania as a leader in eco-tourism, ensuring long-term economic and environmental benefits for the country and its communities. Through collaborative efforts among policymakers, businesses, and local stakeholders, Romania can unlock the full potential of the Circular Economy, driving innovation, sustainability, and economic growth in its tourism industry.

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CONSUMER EDUCATION IN THE CIRCULAR ECONOMY: MARKETING STRATEGIES FOR EFFECTIVE COMMUNICATION

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Abstract

This paper explores the directions of effective marketing strategies in terms of consumer education to understand the effects of the circular economy on the purchase and consumption decision on the environment, analyzing those communication techniques that positively influence and impact the target audience.

The perspective on the concept of education is defined in the paper through the principles of the circular economy currently applied through marketing strategies adapted to the market, starting from the relationship of market understanding and adaptation to the market. Thus, the exploratory research aims at a scientific analysis that is limited by the interconnection of key elements in the present specialized literature, such as: circular economy, marketing, environmental economics, education, big data.

The main question of the paper: "How can marketing strategies contribute to consumer education regarding the benefits of the circular economy?" is highlighted by the structure of the addressed topics, marking a series of results and discussions carefully redirected to the present.

In a rapidly changing market, selected communication practices to convey educational and awareness messages on a global scale are becoming increasingly common and represent an effective marketing tool to support the circular economy in a strategic, transparent and credible way, with the possibility of reaching a larger and more targeted audience through the use of digital platforms and social networks.

1. Introduction

In the context of the current global economy and the global economic, social and environmental perspective in continuous dynamics, evolution and

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change, consumer education is becoming increasingly important in promoting the principles of the circular economy through marketing strategies [Velenturf, A.P. and Purnell, P., (2021)]. This marks not only the action of raising awareness of the effects on the environment, but also the adoption of responsible behavior, based on the principles of the circular economy, namely the reuse of products, recycling of materials and waste reduction. In essence, we are talking about educating consumers in the circular economy, through communication and marketing techniques, used as a strategy to reduce negative effects on the environment, both from the perspective of companies and from the perspective of consumers. Thus, in this context, marketing strategies gain major importance, playing an essential role and becoming a key tool for the efficient transmission of information and for influencing consumer behavior, and ultimately, of companies responding to market demand.

In contrast to the linear economy, which is defined by a traditional consumption system, the circular economy is marked by a circular system, continuing the normal cycle of extraction, production, consumption and disposal. In order to align consumer behavior with the trends of this world, promoting a system in which resources are maintained for as long as possible, are reused and recycled, denotes an educational action on a global scale. Thus, with the help of marketing and communication strategies, marketing is no longer limited to promoting products or services but represents an essential promoter of communication and education. Starting from the basic question of the article: "How can marketing strategies contribute to consumer education regarding the benefits of the circular economy?" the study aims to be an analysis of communication strategies that facilitate the adoption of responsible behavior by consumers, while also highlighting the techniques and tools through which educational messages can be transmitted efficiently and adapted to the current context of the global market.

In terms of structure, the paper is classified into several main sections, each of which has the role of clarifying essential aspects regarding consumer education in the circular economy and the impact of marketing strategies for effective communication. The first part of the paper is marked by both general perspectives on the topic and key and specialized terms, aiming at the interconnection between the latter, and by the analysis of theoretical concepts based on the exploration of specialized literature. Regarding the specialized literature, the extracted premises were also classified into three main categories, such as: perspectives on circular economy and nowadays education, consumer behavior in a circular economy, marketing strategies for effective communication. The second part of the paper addresses the marketing strategies used to promote sustainable marketing practices, as well as their impact from the perspective of the concept of education, through a section of results and discussions, also

structured into three main categories, namely: general perspectives, challenges related to the circular economy and digitalization, solutions to the challenges of digital integration. At the end of the paper, the results of the analysis performed are discussed, highlighting future directions and relevant conclusions for the development of effective consumer education strategies within the circular economy.

The present paper thus aims, both by analyzing the proposed subject and by presenting the ideas reflected in the specialized literature in strengthening the relationship between the terms circular economy, marketing, education, big data and environmental economics, to mark a scientific path that supports the concept of consumer education within the circular economy, in relation to the use of marketing strategies for efficient communication. Promoting sustainable practices thus represents an environmental action for a sustainable, innovative future with development perspectives on a global scale.

In the perspective of the specialized literature, the circular economy is often seen as a sustainable model of economic development, which requires not only changes at the industrial level, but also significant changes in both consumer and company behavior. Given the fact that there is a connection between market demand and the response to market demand, highlighted by the adaptation of companies to the market, the development of society becomes a fundamental aspect on the strategic agenda of organizations around the world. In this direction, many studies highlight the importance of consumer education as a determining factor in the adoption of sustainable practices, highlighting the strategic role of marketing techniques in the effective promotion of sustainability principles [Geissdoerfer, M. et al., (2017)]. It is especially noteworthy that by integrating circular economy principles into companies' marketing strategies, consumer behavior is gradually determined in a direction of rejection through education on the effects of consumption on the environment. Since the responsibility is not only environmental, but also social and economic, education is done in a way adapted to the needs and desires of the target audience, encompassing sustainable promotion through adapted messages and tools.

In this research, the specialized literature is structured along main directions to provide an in-depth understanding of how consumers perceive and adopt the principles of the circular economy, as well as the tools through which marketing can facilitate this transition of responsibility. It is also worth noting that the study aims to identify the most effective communication tools and techniques that can support consumer education by promoting sustainable behavior, in a circular economy and future perspectives in which consumer education is a key antecedent in consumer decision-making, and attitude and knowledge are the elements with the greatest influence in the consumer purchase decision-making process [Vidal-Ayuso, et al., (2023)], aspects that bring the consumer-circular economy relationship to the fore. There are thus a series of premises that underlie

the work, delimiting theoretical concepts from practical ones, through the novelty of the theme, the applicability of marketing strategies, and the innovativeness of the subject brought by the circular economy.

2. Literature review

2.1. Perspectives on circular economy and nowadays education

Currently, we say that the circular economy aims for a fundamental paradigm shift from the traditional economic model, namely the model based on the linear path of extraction, production, consumption and disposal, that is, a closed loop cycle, not a circular one. Of course, depending on the materials, the cycle can have a longer or shorter period of reuse, recycling and reduction. The basic idea, however, lies in the concept of promoting a system in which resources are kept in use as much as possible, and their consumption is reduced as much as possible, in order to support the environment with the help of consumer behavior. In this context, the perspectives on the circular economy in relation to today's education outline a topic of discussion with innovation prospects, the applicability of the present being determined by the marketing strategies put into practice through efficient techniques and tools, with an emphasis on the target audience. Thus, companies, in response to market demand, respect the relationship of market demand-adaptation to the market, promoting a sustainable and future model.

In the literature, education for the circular economy is seen as a continuous development process, which must be integrated both into formal education systems and into companies' marketing campaigns aimed at the general public, which practically marks a raising awareness of the circular economy through digital marketing [Ronkainen, L., (2022)]. Many studies suggest that currently, and especially for the younger generations, education initiatives supported by digital and interactive strategies contribute significantly to raising awareness and changing consumer behavior [Panyapatiphan, D., (2020)]. Thus, marketing tools such as storytelling, gamification and social influence promoted on social networks play an essential role in shaping perceptions and promoting the adoption of a sustainable lifestyle in the long term, with benefits for both society and the economy, as well as for the environment [Amirova, N., (2021)]. We thus have in mind the concept of responsibility, which, with the help of widely promoted education, takes shape and is implemented in consumer behavior, which, in turn, influences the production and offering behavior of companies.

2.2. Consumer behavior in a circular economy

Starting from the perspective of the specialized literature, such as that, in the circular economy, consumers are key actors in the production-consumption

cycle and have a direct impact on the success of economic models [Vidal-Ayuso, F., et al., (2023)], European Environment Agency considers that consumer behavior in a circular economy is influenced by a series of factors, such as: economic factors, desires and needs, level of education, social factors, as well as references and beliefs. All these factors together, form a system of values on which a consumer relies when making a purchase choice, so that in order to redirect consumption towards a sustainable model, we emphasize the education component, more precisely on empowerment through education. Thus, the marketing strategy appears, which, with the help of communication tools and techniques, can positively influence consumer behavior in a circular economy. We therefore argue that the adoption of sustainable behavior is influenced by the level of environmental education and the perception of the clarity of the concept of sustainability. For example, research on consumer behavior towards e-waste highlights the need for clear policies and marketing strategies that facilitate the recycling and reuse of technological products [Islam, M.T. et al., 2021].

The attitude, perspective and behavior of consumers towards the circular economy can vary, as we mentioned, especially depending on the level of education and consumer culture. Basically, while some consumers are receptive to information about sustainability, the environment and a sustainable future, others show resistance or indifference towards this type of content [Siminelli, C., (2017)]. Precisely for this reason, an adapted, creative and targeted marketing strategy is meant to bring the right message to the mind and eyes of the right customer, in order to determine them, through current, digital and ethical practices, to adopt a responsible consumption behavior that minimizes the negative effects on the environment. In this case, we are talking about marketing from the point of view of a promoter for education on the concept of sustainability, both in terms of notion and applicability in society. Embedding and transmitting messages adapted to a circular economy through efficient communication techniques carefully targeted towards consumers' needs and desires is practically an approach with future prospects for any responsible company.

2.3. Marketing strategies for effective communication

Based on the perspectives on the circular economy in relation to the current concept of education, as well as on the research on consumer behavior highlighted in a circular economy, the current context of analysis is directed towards a sustainability perspective, which is based on the concept of education brought into the main image of consumers through the marketing practices of companies inclined towards responsibility. Thus, the emphasis is placed on facilitating the transition of the liner economy model to a circular model, which is promoted through green marketing, more precisely a type of modern marketing that emphasizes ecological practices and brings with it the promotion of them for

the public. However, in order to reach a target audience, the marketing direction needs to involve both a market-targeted strategy through an adapted message, as well as efficient and currently applicable communication channels, such as digital communication channels. Thus, we are considering combining ecological marketing with digital marketing, in order to maximize the transmission of the message of awareness on the circular economy to a wider audience. By integrating educational messages into companies' marketing campaigns, messages that are part of current environmental practices, brands can make a significant contribution to the initiative and the effort to educate consumers in a circular economy [Kotler, P., (2022)].

Currently, one of the most effective communication strategies is the use of digital platforms, respectively social networks, to transmit interactive and personalized educational messages. Campaigns based on this type of tool are considered adapted to the current market trend and are seen as successful and future-oriented promotional tools, especially when we consider the concept of education or empowerment. In terms of characteristics for the most efficient communication and intended for the widest possible audience, characteristics such as authenticity, transparency and clarity in communication can determine the adoption of responsible behavior towards the environment. Since communication is based on simple language, the message must be both easy to understand and attractive to look at, which means that the message must be personalized, both in terms of text and visuals. Currently, video content has increased considerably in terms of impact for users, with more and more social platforms adapting their content type to this dynamic form of promotion. In this way, the degree of understanding of the concept of circular economy and awareness increases directly proportionally to the degree of consumer involvement. In this sense, studies show that messages that highlight the economic benefits of the circular economy have a greater impact on purchasing decisions than those that focus exclusively on ecological aspects [Gleim, M.R. et al., (2013)].

Another fundamental element of effective communication is the ability to adapt marketing strategies to market dynamics and trends in relation to consumer preferences, which more precisely mark the relationship between supply and demand [Abbati, M. and Abbati, M., (2019)]. In this sense, the use of big data, artificial intelligence and IoT for transmitting messages can significantly improve the efficiency of marketing campaigns both now and in the future. Digital marketing is also placed in this direct line, which, with the help of effective communication features, incorporates the marketing strategy in a complex, personalized and adapted way, as social networks and digital platforms are increasingly used on a global scale. In this case, we are talking about a type of interactive marketing campaigns, which by interconnecting Social Media (SoMe), Pay per Click (PPC), Public Relations (PR), Search Engine Optimization (SEO) and User Experience (UX) services in terms of websites, creates a complex

strategic ecosystem, which can stimulate public engagement while educating the end consumer by strengthening trust in brands and sustainable actions, within a circular economy.

In terms of digital communication channels, social media platforms have the greatest impact, being the most efficient to use, both from a consumer and a company perspective [Pereira, G.M. et al., (2024)]. Basically, when we talk about Facebook, Instagram, LinkedIn and TikTok, we think of attractive visual content, which can be both educational and entertaining. When we talk about educational content, we can mainly refer to social media campaigns to stimulate engagement, but also to collaboration with influencers who can surround the adoption of sustainable behavior towards the environment. From an optimization point of view, SEO plays an extremely important role in transmitting key messages and highlighting them in the online environment through search engines [Barčić, A.P.]. Optimizing keywords in this sense, such as circular economy or education for sustainability, can reach through this strategy a broad and targeted publication, improving the visibility of the educational concept organically. Also, in terms of improving visibility, PPC campaigns, i.e. Pay Per Click campaigns organized on advertising platforms, such as Google Ads, Meta Ads (Facebook & Instagram), LinkedIn Ads or YouTube Ads, allow for clear and precise targeting of users and direct campaigns according to the objective [de Souza Costa et al., (2021)]. In terms of image, the most suitable are Public Relations campaigns, which are essential to increase the notoriety of a concept, a brand or an idea [Romero-Luis, J. et al., (2022)]. In terms of positive impact, collaborations with journalists, the transmission of articles or press releases. as well as specialized publications or storytelling, can be widely used to support the concept of educating consumers in a circular economy. The experience of consumers and respectively the user, is given in any of the situations by the visual side, whether it is dynamic or static, because graphic design plays an essential and increasingly important role in the efficient transmission of messages, especially educational ones [Lin, K.Y., (2018)]. Thus, by embedding educational messages to support the circular economy within digital platforms suitable for the target audience, marketing strategies will not only be informative, but will also be inspirational, educational and effective [Augustínová, N. and Bednárik, J., (2020)].

In addition to highlighting the potential impact of digital marketing in promoting the concept of sustainability, the study also examines the need for collaboration between businesses, policymakers and educational institutions to create a coherent and comprehensive approach to consumer education in the circular economy [Holst, J., (2023)]. By integrating these findings into marketing strategies, companies can not only improve their brand reputation and consumer loyalty but also contribute to a more sustainable future [Carbonell-Alcocer, A. et al., (2025)]. The importance of transparency, credibility and engagement in marketing communications by using effective strategies based on digital

platforms and social networks to reach a wider audience and by creating educational content that is both informative and engaging.

Therefore, by supporting research ideas with the help of specialized literature, this research provides valuable insights into the development of marketing strategies that effectively communicate the principles of the circular economy according to strategies that play a crucial role in advancing the transition to a more sustainable and circular economic model through their influence on consumer behavior and decision-making processes.

3. Research methodology

The paper "Consumer Education in the Circular Economy: Marketing Strategies for Effective Communication" represents an exploratory research and aims to deepen the proposed subject by reviewing and interpreting the specialized literature from several scientific perspectives. From a methodological point of view, a series of scientific premises were analyzed based on the keywords of the theme, such as: circular economy, marketing, environmental economics, education and big data, marking a structured path around the question: "How can marketing strategies contribute to consumer education regarding the benefits of the circular economy?"

The research is also outlined by both the general perspectives given by the literature review and the results and discussion section, which represents an open direction for new ideas and topics to be explored. From this point of view, the research gap identified based on the analysis performed is highlighted by the limitations of current research regarding the interconnection of the terms of education, circular economy and marketing strategies. However, the present work aims to bring added value and novelty in this segment. The review of the specialized literature was carried out through detailed research of specialized sources in circular economy and marketing strategies, targeting books, academic journals, industry reports and specialized premises, the resulting ideas being classified into three directions, respectively: perspectives on circular economy and nowadays education, consumer behavior in a circular economy, marketing strategies for effective communication.

The general perspective on the research methodology nuances the exploratory desk research nature of the topic and marks the analysis carried out on the specialized literature to identify the marketing strategies used in the circular economy, with an emphasis on the concept of education. Thus, the present study aims to bring to the forefront the interconnection between the terms marketing, education and circular economy, offering a scientific overview of effective communication techniques and strategies, the analysis being supported for the accuracy of the information, on studies, examples and specialized ideas that

illustrate how educational messages can influence the consumer's perspective and behavior towards responsible consumption.

4. Results and discussion

4.1. General perspectives

The path towards a circular economy calls for an integrative approach where consumer education would play a major role in developing sustainable consumption behaviors. This is mainly because the principles of reduce, reuse, and recycle under the circular economy model have come to promise resource efficiency, a most urgent need in the fight against environmental degradation [Stahel, (1982)]. In this informative consumer education, people are made aware of the effects of their actions on the environment, thereby arming them with the knowledge to make informed decisions [Velenturf & Purnell, (2021)]. This must be supported by implementing the principles of circular economy through effective marketing communications that can create an impression on consumers about its benefits for sustainability [Gomes et al., (2024)].

Marketing strategies are realigned with circular economy objectives, wherein digital tools and social media are used in consumer engagement. Since consumers currently rely more on online media for product information and sustainability choices, the circulation of information practices leverages digital media significantly [Barčić, et al., (2024)]. Companies adopt digital marketing as a tool to facilitate realignment, wherein the long-term benefits of circular consumption are cost savings and a reduced environmental footprint. However, the study also proved that consumer behavior towards sustainable products is influenced by barriers like sensitivity to price, distrust of green claims, and insufficient knowledge regarding the circular economy [Gleim et al., (2013)].

Behavioral insights should be incorporated into consumer education efforts to counteract the possible resistance toward embracing sustainable consumption patterns. Social marketing campaigns, focusing on collective responsibility, and ethical consumerism may have important implications on consumer attitudes and buying behaviors. Effective communication will focus primarily on behavioral change with the psychological barrier being given attention, following clarity and visibility for the stakeholders through the participatory approach. Therefore, not only informative, educational strategies are to motivate and empower the consumer to take an active interest in the circular economy. If we refer to consumer demand, we will notice that it practically redefines existing marketing practices and, to some extent, influences the transition of brands toward the adoption of innovative and sustainable solutions.

Therefore, in this context, the circular economy becomes, compared to the traditional economy, a central element, intended to offer much more than a simple alternative to the traditional models that the consumer of goods and services is

already accustomed to; the circular economy brings as a new element a strategic opportunity in support of companies so that they can reposition their promoted values so that they align with the dynamics of the market.

By adopting a circular economy model by companies, we will be able to notice multiple benefits for both producer and consumer, because, on the one hand, we will witness an optimization of the use of resources, a reduction of waste resulting in the minimization of the ecological impact and, at the same time, the extension of the life cycle of products.

By approaching such a circular economy model, both companies and consumers will have multiple benefits because, on the one hand, the resources used will be optimized in the production process, and on the other hand, this aspect will certainly lead to the extension of the product life cycle and, automatically, to the minimization of the ecological impact. This upgrade from the traditional economy to the circular economy must be perceived by both companies and consumers as a necessity for the future of business and society, and not at all as a transient trend of the moment.

The integration of sustainability into all operational aspects, starting with the minimalist design of products and ending with the completion of the supply chain – recycling and reuse, will certainly create long-term value for both organizations and consumers. An efficient circular economy model will stand out for the major contribution it will bring to the environment by protecting it but also for stimulating innovation, and economic efficiency, which will also attract consumer loyalty. Because sustainability is currently no longer viewed as just a simple competitive advantage but represents an essential advantage for ensuring the medium and long-term success of any business, all companies that integrate the principles of the circular economy into their marketing strategies will meet market demands and make an essential contribution actively and beneficially, strengthening a balanced, ethical, and sustainable economic ecosystem. With such an approach, companies will be able to create a continuous cycle of improvement and innovation, thus strengthening consumer trust, which is translated into strengthening a more responsible future. In a context in which sustainability is becoming a global priority, marketing strategies must adapt to transparently reflect the principles of the circular economy. Repositioning them towards the circular economy in a positive way to the expectations of conscious consumers will create medium and long-term value for brands on the market, thus reducing their impact on the environment and strengthening customer loyalty towards them.

To strengthen the marketing strategies used in the circular economy, companies should consider following some healthy and predictable concepts, such as:

1. Design focused on sustainability and education

Brand communication policy must be carried out in a clear manner related to their commitment to the circular economy and highlight the use of recyclable

materials, waste reduction and product life cycle optimization. Marketing campaigns can include transparent labeling, ecological certifications and authentic stories about the sustainable processes implemented.

2. Collaborative economy and extending the life of products

Through the marketing strategies used by companies, they can encourage models based on reuse, repair, and recycling, promoting initiatives such as:

- Buy-back and recycling programs – in which customers are encouraged to return used products in exchange for benefits;
- Repair and upgrade services – by creating partnerships that allow the life of products to be extended.

Sharing and leasing platforms – through which companies can meet consumer needs with subscriptions or rentals at the expense of traditional purchases.

3. Responsible production and a transparent supply chain

Sustainable marketing policy must actively encourage initiatives to reduce the carbon footprint and the efficient use of resources, through various methods such as: entering into partnerships with suppliers who are certified eco-friendly, optimizing the logistics side of businesses to reduce carbon emissions, and creating modular products that are easy to disassemble and recycle.

4. Organizing awareness campaigns and active consumer involvement

Supporting consumers towards active involvement in the transition to the circular economy must be done actively and transparently, to encourage healthily and beneficially educational marketing, gamification, and awarding rewards to stimulate sustainable behaviors through prizes and discounts for recycling, as well as to build a community by involving consumers in ecological initiatives through events, challenges, and social networks.

5. Digitalization and innovation to reduce waste

Another important aspect is represented by encouraging the use of digital technologies that allow the optimization of production and delivery to minimize waste.

Therefore, data-based marketing can realistically support brands to personalize the offers they bring to consumers, thus avoiding overproduction and, implicitly, reducing unused stocks; thus, virtual experiences (augmented reality, sustainable e-commerce) can reduce the need for physical materials and unnecessary transportation.

4.2. Challenges related to the circular economy and digitalization

Although the importance of circular economy is increasing, many widespread adoption of circular practices challenges. The most important barrier to 100% adoption is the immaturity lack of awareness and immobility of consumer awareness and engagement. Research indicates that most of the consumers are

not exposed to the concept of circular economy, or do not have a complete perception of what productivity means over the long term [Monteiro Gomes et al., (2024)]. Such a lack of knowledge leads to a lack of willingness to embrace circular consumption behaviors.

The benefits that digitalization brings in terms of consumer education are unarguable. However, digitalization brings with it the problems of misinformation, access to information, and the gap between those who have access to digital tools and those who do not. All marketing strategies in the digital environment will be effective if the subjects trust the sources and are capable of differentiating between information and misleading content [Carbonell-Alcocer et al., (2022)]. Unequal levels of knowledge due to differences in reading the news online and the availability of technology limit the spread of circular economy education initiatives.

One more key issue is the pushback from sectors that have usually worked in a straightforward money model. Companies might be reluctant to change to round business models because of money risks, supply chain limits, and the ask for infrastructure spending [Jamwal et al., (2021)]. Sustainability trade-offs are also clear in business operations, where money efficiency often battles with environmental goals, making it hard for businesses to take on circular strategies without outside incentives or rule support [Leseure, (2023)].

We can notice that the transition from the traditional economy to a circular economy model, combined with the acceleration of the digitalization process, brings significant benefits but, at the same time, a series of ongoing challenges that companies playing in the consumer market must manage more strategically. These difficulties and challenges range from technological barriers to high costs and changing consumer conservative mindsets and strict regulations.

The challenges most frequently encountered in implementing the circular economy are:

   a) **High initial costs and low short-term profitability, which can be discouraging for companies**

Adopting such a circular model requires significant investments in recycling technologies, product redesign, and, to the same extent, the development of sustainable supply chains. Although these changes can bring long-term benefits, many companies in the market are still hesitant to make the transition due to high initial costs corroborated with the uncertainty regarding the recovery of the investment within a reasonable period.

   b) **Infrastructure that is still inadequate for recycling and reusing products**

In many regions, we observe that the systems for collecting and processing recyclable materials are underdeveloped, which makes it difficult to implement the circular economy in a foreseeable period; in this context, the lack of an

efficient infrastructure leads to a rather cumbersome and difficult process of recovering and reintegrating materials into the economic circuit.

c) The current difficulty in changing the perception of the circular economy and consumer behavior

Many consumers still prefer cheap and disposable products to durable and recyclable ones for financial reasons. We can also observe that there is a lack of education on the benefits of the circular economy, which leads to an extremely slow adaptation of this model than it could be otherwise.

d) Complex and inconsistent regulations

We note that the legislation on the circular economy varies considerably from one country to another: the lack of a uniform custom in the field leads to the creation of difficulties for companies operating internationally. Circular economy regulations are still strict in some countries or, on the contrary, insufficiently developed, which affects the implementation of effective circular practices.

Regarding challenges in digitalization and sustainability, we can consider:

a) The ecological footprint of technology – Even though the digitalization process encourages resource efficiency and, implicitly, the reduction of physical waste, it comes with a significant environmental cost.

To digitize this process, massive production of electronic devices is needed, which represents major challenges for digital sustainability, along with the energy consumption of data centers and the generation of e-waste.

b) High risks related to data security and privacy

As companies move into the process of digitizing their processes and try to adopt solutions such as blockchain or artificial intelligence to optimize the circular economy, cybersecurity risks inevitably arise; therefore, we can see that, currently, the protection of consumer data and the prevention of cyber-attacks are considered critical aspects in this transition process.

c) The need for investments in digital infrastructure

Last but not least, and not to be neglected, is the fact that all important elements that converge towards the adoption of digital technologies directly require considerable financial resources, which will be reflected in the final price of products sold to consumers.

Companies are forced, in this process of transition directly from the traditional economy to the circular economy, to implement advanced monitoring systems for both the supply chain and to identify traceability solutions for products and sustainable e-commerce platforms, which can represent a real challenge, especially for SMEs.

d) Difficulties in integrating digitalization into the circular economy

For digitalization to truly support the circular economy, solutions must be developed that facilitate the reuse and recycling of consumer goods. For

example, online platforms can be used to manage second-hand products or to optimize the exchange of resources between companies; currently, we note that a significant number of entities do not yet have the experience or technological capacity required to implement such solutions.

Ways to overcome these challenges:

✓ Strategic investments and partnerships – Companies should pay increased attention to active collaboration with innovative startups, governments, and NGOs to identify opportunities to develop scalable and efficient solutions for the circular economy and digitalization.

✓ Education and mindset change – Companies should pay increased attention to awareness and education campaigns, as these are essential to encourage consumers to adopt responsible consumption habits.

✓ Clear government policies and incentives – Well-structured regulations and subsidies for investments in the circular economy can accelerate the transition and reduce financial risks for companies.

✓ Green technologies and innovative solutions – Investing primarily in the development of sustainable digital technologies, such as AI to optimize a range of resources or blockchain for traceability, can help companies overcome current barriers.

4.3. Solutions to the challenges of digital integration

To address the challenges of consumer education in the circular economy, a multi-faceted approach with technological advancement and policy frameworks is desirable. An approach that could be used is through the application of digital marketing strategies, which could be perpetuated by AI and big data analytics, that respond to messages of sustainability in a more personalized manner. In that respect, AI platforms would assess and intuit the kind of pedagogical content that would best increase both engagement and retention of knowledge by learners.

Partnerships among firms, governments, and schools play a key role in promoting digital equality. Free online classes, sustainable workshops, and literacy programs help close the info gap and raise involvement of consumers in the circular economy. In addition, regulations that ensure clear and accurate digital ad messages can help lower fake news and establish trust with buyers.

Games and interactive learning tools are another effective way of increasing consumer engagement. According to research, digital incentives are very well accepted by consumers; an example is a loyalty program that rewards sustainable behavior (Barčić, Kralj, & Ćurić, 2024). Companies would thus educate through gaming strategies and simultaneously motivate consumers to make choices in favor of environmental sustainability, facilitating long-term behavioral change.

Besides, the schools must put sustainability ideas in their courses, supporting a full-institution way of learning about sustainability (Holst, 2023). By putting

circular economy rules in schools and out-of-school activities, learners and buyers can gain the skills needed to take part in green habits. Digitalization is undoubtedly an essential process for accelerating the transition to a circular economy, but the effective integration of digital technologies certainly also entails a series of challenges, and to manage them effectively, companies and organizations must carry out the necessary due diligence to prepare for the adoption at the organizational level of a series of innovative, sustainable and scalable solutions, of which we mention, in our opinion, some relevant ones:

1. **Reducing the ecological footprint of technology** – to optimize the energy efficiency of data centers by using renewable energy sources to power servers.

This measure involves the implementation of advanced passive cooling technologies and the reuse of waste heat; to the same extent, the possibility of developing energy-efficient cloud algorithms and infrastructures must be analyzed, as well as promoting modular design for electronic devices. Reducing the ecological footprint also considers the creation of gadgets that can be easily repaired, updated, and reused. Thus, companies will encourage the promotion of "right to repair" policies to extend the lifespan of digital products and the use of recyclable and biodegradable materials in hardware production, as well as the development of sustainable software solutions. All these measures will lead to the optimization of code to reduce resource and processing consumption and will also encourage the use of artificial intelligence to minimize the energy consumption of applications and devices.

2. **Increasing data security and transparency** – for implementing blockchain for traceability.

Blockchain technology can be used to track materials and products in the circular supply chain, in this way, a fair and transparent process will be ensured and the risks of fraud will be significantly reduced; in this forecast, Consumers can have access to detailed information about the provenance and recyclability of the products they purchase, which will instill in them a high degree of trust and will lead to the adoption of a system that uses advanced cybersecurity solutions; all these measures to encourage increased data security and transparency will lead to the adoption of advanced encryption standards to protect user data and the integration of AI and machine learning to detect and prevent cyber-attacks on companies' digital infrastructures.

3. **Developing digital infrastructure for the circular economy** – which will lead to investments in digital platforms for reuse and recycling to create online marketplaces for second-hand, refurbished, and recyclable products.

The development of digital infrastructure will actively encourage the development of mobile applications that will effectively connect consumers

with collection and recycling centers by integrating artificial intelligence into resource management. We conclude that with the help of AI, we can optimize supply chains, and this process will certainly facilitate the substantial reduction of waste and maximize the use of recycled materials. Encouraging the use of predictive technologies in current activity will help companies estimate the demand for sustainable products, which will reduce overproduction. Another branch of the development of digital infrastructure for the migration of the traditional economy to the circular economy is the use of IoT (Internet of Things) for monitoring environmental impact. Therefore, IoT devices can be used to monitor the actual consumption of resources and at the same time to optimize industrialization processes. The benefit of using smart sensors is that they can detect and report in real-time data on recycling, pollution, and energy efficiency.

4. **Creating clear policies and regulations** – through incentives for sustainable digitalization.

These policies can encourage the granting of subsidies to companies that implement green digital technologies and through tax breaks for businesses that implement circular economy models based on digitalization. An important aspect that deserves due attention is that of clear legislative regulations for the reduction of e-waste; currently, it is necessary to define a more applied legislative framework through which to grant bonuses for the recycling of electronic components and limit the use of non-recyclable materials. We must be aware of the fact that standardizing recycling procedures at a global level will help us all in facilitating the efficient management of digital waste.

5. **Education and changing mentality** – imply professional training in digitalization and sustainability by encouraging the adoption of active measures for the development of digital education programs for entrepreneurs and employees and by creating courses on the circular economy in the academic and corporate environment.

Consumer awareness through technology can be addressed by creating mobile applications that can provide information about the ecological impact of products and by supporting interactive campaigns that promote recycling through digital rewards.

Thus, we can conclude that the integration of digitalization into the circular economy is essential to creating a sustainable future, but it is obvious that it comes at the cost of significant challenges that we must learn to manage.

The solutions identified can range from optimizing technological efficiency and at the same time increasing data security, to developing a digital infrastructure in conjunction with consumer education. By adopting such measures, we will manage to reduce the negative impact on the environment, but we will also be able to offer economic opportunities for companies that want to innovate processes but at the same time remain competitive in the long term.

5. Conclusions

Consumer education would play a very essential role in promoting the principles of the circular economy. The marketing strategies would have to be reoriented so that there is a smooth transition into this new system. Information accessibility and the possibility of putting everybody on board make digitization an opportunity, though issues of misinformation, digital divide and industrial resistance must be addressed. The integration of personalization based on AI and regulatory measures, as well as educational tools that operate on an interactive basis, would strengthen the effectiveness of communication strategies about the circular economy.

For business sustainability, companies along with governments and education providers need to come together. This will make digital tools more accessible, create clear marketing communications, and steer the adoption of innovative engagement practices all leading to a circular economy. As consumer knowledge and involvement rise, it becomes more workable to change to a circular and greener economic model that is good for the world. For business sustainability, companies together with governments and education providers must come together. This will make digital tools more accessible, create clear marketing communications and drive the adoption of innovative engagement practices, all leading to a circular economy. As consumer knowledge and engagement increase, it becomes more practical to move to a more circular and greener economic model that is good for the world.

The influence of the circular economy on the application of marketing strategy and consumer behavior is becoming increasingly evident, as brands recognize the need to adapt to the ever-changing expectations of consumers as well as environmental imperatives. Political economy, psychology, sociology, and anthropology are also considered to have laid the theoretical foundations of the current understanding of consumer behavior. Due to the complexity and varied nature of the acts and processes that define consumer behavior, people's reactions in economic terms cannot be reduced to simple repetitive actions; they reflect an accumulated life experience. In this sense, simply observing and quantifying consumer actions is not sufficient and relevant. It is also necessary to explore the psychophysiological processes that underlie these actions and to explain the interdependencies between them.

The transition to the circular economy and digitalization is an extremely complex process, but one that is essential for the sustainable future of both business and society in general. Even though, at the moment there are multiple challenges, these can be overcome through concrete processes of innovation, collaboration, and at the same time a strategic adaptation to real needs.

Thus, the integration of digital technologies into the circular economy can transform the industry and create a much more efficient, fair, and environmentally friendly economic ecosystem. The analysis of how consumer demand transforms

marketing practices reveals a shift towards innovation, the adoption of circular economy principles, and a strong focus on market adaptation. By integrating these elements, brands can create effective marketing strategies that resonate with consumers, drive loyalty, and contribute to a more sustainable future.

The essential objective of the circular economy must be kept constantly in the focus of organizations, not only for their success but also for the positive impact on the environment as a whole. The transition to a circular model brings major benefits, both for protecting natural resources and reducing pollution, and for the well-being of organizations, society, and the economy.

In this context, a fundamental aspect to remember is that sustainable business practices, both at a large and small level, are no longer just an opportunity, but a pressing necessity for the healthy future of our environment. Thus, the adoption of the circular economy becomes an essential condition for ensuring a sustainable future, in which resources are used efficiently and responsibly.

Abbreviations

CE: Circular Economy
SoMe: Social Media
SEO: Search Engine Optimization
PPC: Pay per Click
PR: Public Relations
UX: User Experience
IoT: Internet of Things

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HOW WAR DEFINES US. A LINGUISTICS PERSPECTIVE

*Andreea-Nicoleta Soare**

Abstract

No one likes war. No one likes the atrocities happening during a war and their consequences and the traumas they leave behind. However, war was always part of our world, bringing us where we are now and giving us the borders we now enjoy. As wars have been part of the world's societies for so long, they define how we think, see the world, and speak. This paper aims to show how words and expressions, so metaphors, belonging to the military field, normally used in a war zone or for war-related contexts, are now being used in situations that have nothing to do with conflicts and employ different meanings than the ones they originally had. The research will be focused on a corpus composed of headlines from Romanian online news websites to show how a changing media system pushes journalists to rely on exaggerated headlines to keep their readers close. The consequence of using war metaphors in stories about politics is, however, the trivialization of real war information.

1. Introduction

Wars are terrible. No one can argue that. However, wars have always been part of our world, even if we talk about conventional or cold wars. They have changed, many times, the course of human history, opening new doors and closing others. Wars are something people try to avoid, but they also have something that is mysterious, interesting and sometimes attractive for others, due to their inaccessibility, hence the interest they get from movie directors, writers and artists, in general.

After 2000, wars have gotten even more attention, as the media system (online, TV and printed press) extended rapidly across various continents, sent reporters to the countries affected by wars and so people got access to such information quicker. This huge amount of information has therefore influenced the way people think and discuss wars but also how they speak in day-to-day life. The military terms used in media reporting or even in movies about wars and conflicts started to be more and more used in fields and contexts that often have nothing to do with a battlefield. Studying and talking about wars has also often been seen as approving or promoting it, a misconception that led to this field getting the attention of military or security experts only. It is however interesting to see how these military terms have started to become the `favorite`

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words of Romanian journalists when writing about politics, most of the times, but also about other fields that have no direct connection to wars. The Romanian language has expressions and metaphors that use such terms, but other languages, like English, for example, have them as well (eg. `fighting for something`, when talking about a hard work towards a goal, a `battle` used instead of `competition`, `victory` or `defeat` for winning or losing a competition etc.). What is interesting, however, is how much these terms are nowadays being used in the media (online media) to present information about politics. Even though such examples exist in other languages as well, they seem to be not as present as they are in Romanian. Can such a tendency leave no marks on how we, the readers, perceive war?

2. Methodology

The media (including the TV and online media) is a great way of observing a language as it mirrors how people speak and how the language evolves in a certain society. Therefore, the corpus I will be using for this study will be composed of online news articles, mostly headlines, that present information about politics or diplomacy. After presenting the headlines, an analysis of the expressions will be presented. Each of the headlines has been translated into English for a better understanding. In some cases, the almost literal translation was preferred, for the reader to identify the metaphor correctly.

3. Literature review

Due to its geopolitical location and its changing borders, Romania has been involved in several wars throughout its history. The most significant ones have started during the Ottoman Empire, in the 14th and 19th century, when the olds states of Romania (Transylvania, Moldavia or Wallachia) have been involved in wars with the Turkish forces, either as enemies or as allies. Then, it was also involved in the war between the Russian Empire and the Ottoman Empire, in the World War I and World War II and, even it did not exactly engage with anyone during the Cold War, it was aligned to the geopolitical interests of the Soviet Union. These things, which often ended with temporary occupation of the nowadays Romanian territory, have influenced the Romanian language by adding new words to the vocabulary. The wars themselves, however, have also left some other footprints in the language, because they led to war-related expressions or metaphors that are even today used in everyday life. Some examples to that end are:

    a. Declanșarea ofensivei împotriva a ceva – Launching an offensive against something;
    b. A lansa un atac fulgerător – To launch a blitzkrieg attack;
    c. În tranșeele vieții – In the trenches of life;
    d. Artileria grea a argumentelor – The heavy artillery of arguments;

 e. Bombardament mediatic/ informațional – Media/information bombardment;

 f. Plan de luptă bine structurat – Well-structured battle plan;

 g. A mobiliza oamenii pentru o cauză – To mobilize the people for a cause;

 h. Înarmat cu răbdare – Armed with patience;

 i. Sub asediul presiunilor sociale – Under siege from social pressures;

 î. În bătaia tunurilor – In the line of fire;

 j. Ținta principală a criticilor – The main target of criticism;

 k. Războiul declarațiilor – The war of declarations;

 l. A trece la contraofensivă – To launch a counteroffensive;

 m. A lua o poziție defensivă – To take a defensive position;

 n. Tactici de gherilă în afaceri – Guerrilla tactics in business;

 o. Zona minată a negocierilor – The minefield of negotiations;

 p. A ridica un zid de apărare – To build a wall of defense;

 q. Batalionul ideilor inovatoare – The battalion of innovative ideas;

 r. Arme secrete în negociere – Secret weapons in negotiation;

 s. Războinic al dreptății – Warrior of justice;

 ș. A lupta pentru dragoste – to fight for love etc.

These are just some examples collected from Google, but many others are used in daily conversations by Romanians as well. All these expressions, however, represent metaphors of war and have the purpose of exaggerating events, contexts, situations or the characteristics of people.

3.1. Metaphor

The studies of metaphor see as a turning point the research of Johnson and Lakoff on the conceptual metaphor in 1980, which then was developed into the contemporary theory of metaphor, in 1993. Since those two moments, many other theories evolved, either continuing what Johnson and Lakoff have started or just contradicting what they postulated. In their first study, Lakoff and Johnson argue that the metaphor is the use of different concepts to talk about or describe certain things, thus it is not only a language tool, but also a cognitive one, because it involves the „mapping" of concepts from one source domain to a target domain (Lakoff. 1993). For example, in a metaphor such as „love is a battle" (ro. Dragostea este o luptă) the military term „battle", used on a battlefield when referring to two opposing armed forces, is used to describe love as a struggle with emotions or referring to the ups and downs of the feeling itself. This conceptual metaphor, however, can be subcategorized into three types, according to their functions: structural, ontological and orientational (Kovecses, 2002, apud…). According to Kovecses, structural metaphors help people understand the target concepts through mapping and the example she gives is `TIME IS MOTION`, which helps people understand that the passing of time is

motion. Conventional metaphors, on the other hand, are the metaphors used by people every day, for different purposes, like `go on separate ways` to talk about ending a relationship. These metaphors are conventionalized, and people don't even realize they are using them as metaphors (Kovecses, 2002).

The metaphors people use day by day and refer to terms from the military/war field have been previously studied by Sun Ling (2010), in relation to the English language. She concentrated her study on five areas (politics, business, sport, disease and love) and used as corpus sentences collected either from Google, or from the British National Corpus. War metaphors have also been studied by Flusberg, Matlock and Thibodeau (2018), who argue that there are two reasons behind using them in public discourse: "they draw on basic and widely shared schematic knowledge that efficiently structures our ability to reason and communicate about many different types of situations, and they reliably express an urgent, negatively valenced emotional tone that captures attention and motivates action" (2018: 1). Previous similar studies (Cespedes, 2014; Huckins, 2016; or Wiggins, 2012) suggest that their common use in public discourse affect the way people perceive both wars and the fields they are used for. Huckins, for example, who studies war metaphors in the marketing field, says that using such terms and expressions reflects Americans' need to connect to the war experience, even if they did not, physically:

"This reflects the cultural, perhaps even psychological, need of many Americans to connect somehow to the war experience even though nobody is asking them to, the least of whom our veterans. If you talk to veterans, they reflect many opinions and backgrounds, including their motivation to serve in the first place and what they think of their war experiences. Most don't want extravagant ceremonies or constant free cups of coffee or meals; most simply want military service to be acknowledged and supported (not just theirs but everyone's) by our population and more importantly, the chance to start a new, post-military life knowing their service mattered. Seems fair enough. American culture loves its wars and those who fight them, but not in the way that matters most." (Huckins, 2016)

Lakoff, in a 1990 piece about the use of metaphors to talk about the Gulf War went as further as to saying that "metaphors can kill", referring to the damaging a metaphor such as one used in the foreign policy of the USA at that time, "a nation is a state" can do:

"It is used hundreds of times a day, every time the nation of Iraq is conceptualized in terms of a single person, Saddam Hussein. The war, we are told, is not being waged against the Iraqi people, but only against this one person. Ordinary American citizens are using this metaphor when they say things like, "Saddam is a tyrant. He must be stopped." What the metaphor hides, of course, is that the 3000 bombs to be dropped in the first

two days will not be dropped on that one person. They will kill many thousands of the people hidden by the metaphor, people that according to the metaphor we are not going to war against. (Lakoff, 1990/republished 2012, apud Lakoff, 2003:

3.2 War metaphors in the media

In the media discourse, as well, it seems that war metaphors are highly used globally and a study found in Karlberg and Buell, 2005, shows that 17% of the articles published in Time and 15% of the articles in Newsweek between 1981 and 2000 used at least 1 war metaphor. Nowadays, however, it seems that these figures have risen.

In the Romanian online news, journalists often appeal to metaphors to describe events or people. This helps them get the attention of the readers and, sometimes, imply certain personal thoughts about some matters that they cannot otherwise express due to the impartiality a journalist must show. As a journalist myself I often find it hard not to use metaphors, as the implications of some events could be better explained using them. I still contain myself. Why? As I have seen, over the years, how the use of war metaphors, especially when talking about politics, tends to exaggerate some actions or behaviors or to be used just as "clickbait" for readers to enters some news websites to then find out the article has no essence.

In the last almost three years, however, the use of war metaphors has increased, especially due to the war on our borders, initiated by Russia, who illegally invaded Ukraine, in February 2022. Unfortunately, the last years have witnessed other conflicts as well, globally, which have influenced the way journalists – who now do not write about one field only, but about all fields – describe politics or lifestyle events. It is hard to "let go" of some expressions and specific terms when one is writing about a war and then has to write another article about domestic politics. In a previous study, I have analyzed how metaphors were highly used by Romanian journalists to discuss about the war in Gaza, which started in October 2023, and to express the suffering of the people often comparing it to hell (Soare, 2023). When it comes to politics, technology or even lifestyle, the use of war metaphors is even more obvious as it connects fields which are merely or totally separated. In the following paragraphs, we will look at the war metaphors used in the headlines of Romanian online news publications referring to politics (wherein they touch different aspects).

4. Corpus analysis

According to the principles of wars, there are different elements that constitute a battle between two or more parties. First, we have the armed forces of each side involved in a war, composed of soldiers and their military equipment.

To go to war, they need strategies and tactics, established by commanders. The troops are split into units, brigades, battalions etc., go on missions and they either win or lose. The same perspective seems to be in the minds of journalists when describing politics, such as Ling puts it:

Source: WAR *Target*:   POLITICS

(a) armies in a war - parties in a political campaign

(b) soldiers in a war - politicians in a certain political campaign

(c) battles in a war - election in a political campaign

(d) victory in a war - success in a political campaign

(e) defeat in a war - failure in a political campaign

(f) war strategies - political tactics or strategies (Ling, 2010: 11)

Even though the scheme provided above regards the context of a political campaign, that can be applied all the time in the Romanian politics, but, indeed, even more during elections time. In Romanian news, diplomatic issues are, as well, regarded through the perspective of a war, hence the 'armies in a war' could either be the political parties (fighting through statements) or different states arguing through official statements.

4.1. War is a statement

One of the most used metaphors in the Romanian news articles is that of the statements of different politicians as being considered a war. The mapping of the two fields (discourse and war) suggests not only the consequences of the statements, but, most of the time, also the absurdity or nonsense of what is said, such as in a war scenario wherein the two conflict sides fight but none conquers anything.

(1) **The war of statements** began again. */ Ro: A reînceput războiul declara-țiilor.* (cotidianul.ro)

(2) The **war of statements**: Russia accuses an Israeli minister of "anti-historical statements". / *Ro:Războiul declaraţiilor: Rusia acuză un ministrul israelian de "declaraţii antiistorice."* (ziarulfinanciar.ro)

(3) **War of statements** between Hungary and the USA: Budapest launches serious accusations after Joe Biden talked about Viktor Orban's dictatorship. / *Ro: Război al declaraţiilor între Ungaria şi SUA: Budapesta lansează acuzaţii grave după ce Joe Biden a vorbit despre „dictatura" lui Viktor Orban.* (hotnews.ro)

As one can notice, the diplomatic tensions between officials or countries are being described as a war due to the misunderstandings between the two sides. In (1), the headline is constructed just as the announcement of the beginning of a war, meanwhile in (3) the metaphor of the statement is accompanied by another one, the metaphor of an accusation being "launched" towards someone else, just like a missile or a bomb. The latter is also frequently present in the

Romanian online news articles, as it underlines the seriousness of the accusations and its effects on the other side, just like an attack has consequences on its target. The use of these metaphors in newspapers and online media aims at drawing attention to the information being presented, in a way that breaches the objectiveness the author of the article should have, because the statements are being filtered and considered by the journalist serious or important enough to compare them to a war.

4.2. Information is a bomb

(4) Putin was **bombarded** with critics during his annual questions and answers session. / *Ro: Putin a fost BOMBARDAT cu mesaje critice în timpul sesiunii anuale de întrebări şi răspunsuri.* (Romaniatv.ro)

(5) The online space, **bombarded** by Russia with fake news. / *Ro: Mediul online, bombardat de Rusia cu fake news.* (presamil.ro)

(6) The **bomb-document**: The plan for Klaus Iohannis's dismission! How can he be overthrown from Cotroceni. / *Ro: DOCUMENT-BOMBĂ: Planul pentru suspendarea lui Klaus Iohannis! Cum poate fi înlăturat de la Cotroceni.* (Realitateatv.net)

(7) Tic-tac in justice. Three **time bombs** are about to explode at CCR and CSM. / *Ro: Tic-tac în justiţie. Trei bombe cu ceas stau să explodeze la CCR şi CSM.* jurnalul.ro

(8) Attention to the **time bombs** from the law on financing the parties. / *Ro: Atentie la bomba cu ceas din legea finantarii partidelor.* (hotnews.ro)

(9) The law on pensions passes the government along with a **time bomb**. Marcel Bolos asks the coalition to take responsibility on the budget impact: an additional cost of 55 billion Ron per year. / *Ro: Legea pensiilor trece prin guvern cu tot cu o"bombă cu ceas". Marcel Boloş cere coaliţiei să îşi asume efectele bugetare: cost suplimentar de 55 mld. pe an.* (cursdeguvernare.ro)

In examples (4) and (5), both the critics and the fake news spread on social media are being compared to bomb attacks, due to the intensity and the volume of the information. First, in (4) President Vladimir Putin receives too many and harsh critics from Russian citizens and journalists and, in (5), the quantity of false information in the online space is being regarded as an attack with bombs by a state-actor. There is another tendency in the Romanian online news (plus newspapers and TV) to present documents or important information as "bombs" (6) due to the consequences and the impact of that information being released to the public (as considered by the journalist).

In (7), (8) and (9), the laws and provisions in the Romanian Government are seen as time bombs due to the reactions these are about to provoke either

from politicians or from the citizens. The process here is an action starting an irreversible consequence and implies also certain pressure and tension provoked by the documents themselves.

4.3. Parties/ political leaders are soldiers

(10) The left european parties create a **common frontline** against the extreme-right. / *Ro: Partidele de stânga europene fac front comun împotriva extremei-drepte.* (moldova.europalibera)

(11) **Common frontline** against the prosecutors and handcuffs. How are Basescu, Udre, Tariceanu, Ponta and other SDP leaders in NAa firing the same artillery. / *Ro: Front comun impotriva procurorilor si catuselor. Cum trag Basescu, Udrea, Tariceanu, Ponta si alti lideri PSD in DNA cu aceleasi cartuse.* (hotnews.ro)

The alliances some political leaders or parties have or create ad-hoc to respond to certain situations are seen by the Romanian journalists as soldiers gathering to fight for the same objective. In (10), for example, the left political parties are seen as 'fighting' together against a common enemy, the extreme right wave in Europa, such as in (11), some Romanian political leaders unite to 'fight' again against the National Anticorruption Directorate. In the latter example, even the actions they employ for that are regarded as a common war tactic, as they are 'firing the same artillery', just as the soldiers of the same armed forces must do in a battlefield.

4.4. Political actions are ambushes

(12) Euronews: The extreme right, **ambushed** in the presidential elections from Romania. / *Ro: Euronews: Extrema dreaptă, în ambuscadă în alegerile prezidenţiale din România.* (news.ro)

(13) The **ambush** of the SRU parliamentarians against the minister of Justice. Florin Iordache ran away. / *Ro: Ambuscada a parlamen-tarilor USR impotriva ministrului Justitiei. Florin Iordache a dat bir cu fugitii – Video.* (actual24.ro)

When political parties go one against the other through different actions, be it law project proposals or the rejection of certain projects, these are considered ambushes, just like in a war, when one of the sides is being attacked, by surprise, from all sides. In (12), the extreme right is the one cornered and attacked after the presidential elections in Romania, just as in (13) the ambush comes from the members of a political party against a minister from an opposing group. In these examples, the authors of the articles associate a large group of people going against one or a few people to an ambush on the battlefield due to the impossibility of the target (the extreme right or Florin Iordache) to defend themselves against the actions.

4.5. Politics is a battle

(14) The political **battle** for the pandemic is happening on two fronts. Who wins and who loses? / *Ro: Bătălia politică pentru pandemie se dă pe două fronturi. Cine câştigă şi cine pierde?* (europaliberaromania)

(15) Surprising news from the **battle** front for money and freedom. / *Ro: Noutati surprinzatoare de pe frontul bataliei pentru bani si libertate.* (hotnews.ro)

(16) Between whom and whom will be final **battle** for Cotroceni be held. The candidates who are the first to go out in the first round. / *Ro: Între cine se va da bătălia finală pentru Cotroceni. Candidaţii care ies din joc din primul tur.* (ziare.com)

(17) The **battle** for Cotroceni. Ciolacu is in the first position, Simion and Ladconi are fighting for the second term of the presidential elections. / *Ro: Bătălia pentru Cotroceni. Ciolacu este pe primul loc, Simion şi Lasconi se luptă pentru intrarea în turul ll al prezidentialelor.* (adevarul.ro)

The examples in 14-17 are closely aligned with the ones in 10-11, where the politicians are seen as soldiers. In these four examples, however, the 'battles' have different purposes: the sympathy of the citizens (14), overthrowing the Ciolos government (15), and the presidential position (16, 17). In (14) and (15), these metaphors or the battle are accompanied by the metaphor of the 'political life' being a 'frontline', wherein the political parties must work very hard to keep their positions.

4.6. Accusations are artillery

(18) Marcel Bolos, under fire artillery in the Deputies Chamber. The elected ones started the meeting on the debate of the motion against him. / *Ro: Marcel Boloş, sub tirul acuzaţiilor în Camera Deputaţilor. Aleşii au început şedinţa în care se dezbate moţiunea împotriva sa.* (romanialibera.ro)

(19) Austria, under artillery fire from Euro parliamentarian Rares Bogdan. "It wants to embarrass us. We must fight till the end. / *Ro: Austria, sub tirul criticilor europarlamentarului Rareş Bogdan. „Vrea să se facă de râs. Trebuie să mergem până la capăt".* (evz.ro)

As in every battlefield, soldiers use military equipment to take down the enemy. In politics, journalists see different political actions politicians rely on to go against their opponents as such type of military equipment. In (18), for example, the 'fire artillery' is a motion of censure some deputies were planning on presenting against one politician, meanwhile in (19) the 'artillery fire' is a statement, a criticism coming from one Romanian politician against Austria. Artillery fire normally has one direction and is quite fast, and the criticism and

motion of censure in these two examples also have each one target and are considered rapid answers to different political situations.

5. Conclusions. The trivialization of war

But why do Romanian journalists tend to use so many words associated with war?

Indeed, words are powerful. The way a journalist chooses to use words contours the whole story and interpretation of a related event. When using words associated with war to describe politics and politicians, the journalists cross the objectivity required in the media by adding their own thoughts and perspective on the significance of a fact. All these metaphors associated with war, especially in the headlines, exaggerate statements, actions and the features of politicians and have the purpose of making readers access the article, often realizing the content itself of the news is not as important or serious as the headlines were suggesting. The tension and the nervousness such strong terms as *war, bombardment, artillery fire, frontline, battle* create have an influence on the reader and make him/her access the article without even being, maybe, interested in politics, for example.

The transformations through which the media systems are going right now, with social media threatening to replace the mainstream media (newspapers, online media and TV) are pushing journalists to rely on such terms and create that tension among the readers, which eventually leads to a greater audience. However, this leads also to making actual wars and conflicts less interesting and serious than they really are, because the audiences get used to reading stories which, even though they have nothing to do with war, are impregnated with war related terms.

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ACCELERATORS AS CATALYSTS: HELPING ROMANIAN STARTUPS EXPAND THROUGH WESTERN VENTURE CAPITAL

*Ion-Matei Dumitrescu**

Abstract

 In the evolving world of startup financing, the link between Romanian ventures and Western, especially Central and Eastern European (CEE), Venture Capital firms (VCs) starts taking center stage. Existing research papers light on the growth and aspirations of the Romanian startup community and their need of additional funding on top of the local one, especially when it comes to Series A stages and the international scaling, but also pinpoints challenges in securing foreign VC funding. Amidst this context, accelerators, entities designed to foster startup development, emerge as crucial bridges. Utilizing a mixed-methods research approach, this paper combines first-hand accounts from industry insiders with in-depth data analysis. The focus is to understand the significant influence of accelerators in guiding Romanian startups towards collaboration with Western and notably CEE VCs. Initial findings emphasize the transformative impact of accelerators, underlining their networking, and trust-building roles. These functions increase the international recognition and trustworthiness of associated startups. Furthermore, an in-depth look at Romanian public policies unveils their crucial role in supporting startup acceleration, indicating areas where alignment with prominent EU standards is beneficial. Highlighting the foreign investment as a starting point and key driver for international expansion, this research not only adds depth to the conversation but suggests practical strategies to ensure Romanian startups integrate smoothly on a global scale.

 Keywords: Accelerators, Romanian Startups, Venture Capital, Public Policy, Networking, Foreign Investment.

 JEL Classification: G24, M13.

1. Introduction

 The Romanian startup ecosystem, a dynamic and rapidly evolving landscape, stands at the forefront of a significant transformation, fueled by a wave of entrepreneurial ventures ambitiously reaching out for capital to foster international growth. Central to this paper is an in-depth exploration into the indispensable role of accelerators in facilitating connections between Romanian startups and external funds and venture capitalists. This exploration ventures beyond mere statistics, encompassing a thorough research background, methodical analysis, and concludes with actionable strategies and policy recommendations.

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The role of accelerators in this context will be highlighted, using insights from similar European ecosystems (Duma & Zavtura, 2021).

1.1 Research background

Our research delves into the nuances of the Romanian startup investment landscape, marked by a discernible uptick in Series A transactions. It will provide a statistical overview of venture capital flows and startup growth, reflecting on the factors that influence the startup ecosystem (Serwatka, 2018).

The analysis draws upon my personal experiences as a venture capitalist and investor, highlighting the intricate process of securing first investments and establishing crucial connections, particularly with the Polish market, and the evolution of venture capital from 2018, marked by a notable increase in capitalization, to the present day, provides a rich context for understanding the investment dynamics.

1.2. Challenges in Securing Foreign Venture Capital Funding

A pivotal challenge confronting Romanian startups is securing foreign venture capital (VC) funding. Key performance indicators such as Monthly Recurring Revenue (MRR), and annual growth rate in terms of sales and revenue emerge as decisive factors in attracting foreign investments. The highlights of the 2020-2022 investments in startups are presented in Figure 1 below.

Fig 1. 2020-2022 startup investment highlights in Romania

2022:
- Total venture capital deal volume: €101.7M.
- Significant increase in Series A transactions: Volume tripled from €15.3M in 2021 to €63M in 2022.
- Pre-seed volume: Decreased by 13.2% to €2.8M.
- Seed transactions: Decreased by 4.3% to €45.3M.
- First-round transactions: Increased by 109% to €49.3M.
- Follow-on rounds: Volume of €60M, a 35.7% decrease from 2021.

2021:
- Total deal volume: €116.9M, including FintechOS's €51M Series B round.
- Average deal size for first rounds increased from €357K in 2020 to €647K.

2020:
- Romanian startups attracted 50% more local capital than in 2019.
- Total of 58 investments with a volume of €30.39M.
- Number of startups receiving first-time investment doubled from 2019, rising to 39 startups with a total amount of €13.92M.

Source: crunchbase.com data, author's own research.

The venture capital landscape in Romania has seen significant fluctuations over recent years, as evidenced by the data from 2017 to 2022. In 2022, the total venture capital deal volume reached €101.7M, with a notable increase in Series A transactions, where the volume tripled from €15.3M in 2021 to €63M. However, this growth was juxtaposed with a decrease in pre-seed volume by 13.2% to €2.8M and a 4.3% reduction in seed transactions to €45.3M. First-round transactions saw a remarkable 109% increase to €49.3M, while follow-on rounds experienced a decline in volume to €60M, marking a 35.7% decrease from the previous year.

The year 2021 showcased a total deal volume of €116.9M, significantly bolstered by FintechOS's €51M Series B round, with the average deal size for first rounds escalating from €357K in 2020 to €647K. The year 2020 was marked by a 50% increase in local capital attraction compared to 2019, with a total of 58 investments amounting to €30.39M. The number of startups receiving their first investment doubled from 2019, culminating in 39 startups with a combined amount of €13.92M.

Looking back at 2018, standout moments included UiPath's substantial funding of over USD 400 million (which will be however excluded from this study due to its massive disrupting size) and other significant investments in startups like hackajob, StatusToday, Proportunity, and Instant Factoring.

1.3 The Role of Accelerators

We're currently witnessing how accelerators in Romania, akin to their counterparts in other parts of Europe, support startups through mentorship, networking, and investment opportunities (Ulmer & Pape, 2022) and the importance of accelerators in enhancing startup visibility and investor trust.

Accelerators stand out as crucial conduits for startup development, connecting startups with venture capital, and providing trust required to attract foreign investors. Participation in renowned accelerators often serves as a badge of credibility and sustainability, signaling to venture capitalists that a startup is ready for the global stage.

2. Literature review

The burgeoning role of accelerators in the startup ecosystem has been a focal point of scholarly attention, with several studies highlighting their transformative impact. This literature review synthesizes key findings from recent research, aligning them with our thesis

Duma, O., & Zavtura, K. (2021), in their exploration of the startup ecosystem in Europe, underscore the role of accelerators in nurturing startups. Their study illuminates the diverse structural components within European startup ecosystems, emphasizing the importance of cultural, social, and material factors

in shaping startup success. The research delineates the function of accelerators in fostering a general business culture and facilitating connections with investment capital

Serwatka, A. (2018) analysis of European startup environments, particularly the functioning of accelerators and incubators, offers valuable insights into the mechanisms that support young companies. The study highlights that since 2007, the growth of innovative small enterprises in Europe has been significantly influenced by the presence of accelerators.

Ulmer, T., & Pape, U. (2022) delve into the unique mechanisms and value-adding aspects of accelerators. This aligns with the view of accelerators as critical in developing startups' capabilities to attract foreign investments and scale internationally.

Bergmann, T., & Utikal, H. (2021) highlight how accelerators are crucial in supporting startups in developing a sustainable business model, which is increasingly becoming a criterion for investment from socially conscious venture capitalists.

In their empirical study, **García-Ochoa, C. P., De-Pablos-Heredero, C., & Blanco Jiménez, F. B. (2020)** examine how business accelerators impact startup performance. This is particularly relevant in supporting our thesis that accelerators contribute significantly to startups' readiness for foreign capital acquisition and scaling beyond local markets.

These studies collectively highlight the significance of accelerators in building a network of trust, preparing startups for international scaling and attracting foreign investments.

3. Methodology

The methodology uses mixed-methods approach, including qualitative interviews with startups and VCs from Romania, Croatia or Poland, first-hand case studies, industry databases data analysis and quantitative data interpreting. This approach is suitable for understanding the impact of accelerators on Romanian startups, with references to similar research methodologies in EU studies (Bergmann & Utikal, 2021).

Regression Analysis Framework

For this research, I employed a logistic regression analysis to examine the relationship between startups' participation in acceleration programs, investment raised and their international scaling.

Variables Used in the Analysis

The analysis employs a binary logistic regression model, suited for the binary nature of the variables involved:

Dependent Variable: The dependent variable is the international scaling status of startups, encoded as a binary metric. A value of '1' denotes startups that have successfully scaled internationally, while a value of '0' signifies those that have not.

Independent Variable: The independent variable, also binary, is the participation of startups in acceleration programs.

The logistic regression model is formulated as:

$$\log\left(\frac{P(Y=1)}{1-P(Y=1)}\right) = \beta_0 + \beta_1 X$$

where P(Y=1) represents the probability of a startup scaling internationally. β_0 is the model's intercept, and β_1 is the coefficient for the startup's participation in an acceleration program.

Control Variables

To enhance the robustness of the analysis, we introduced a control variable as the total investment raised by the startup.

Hypothesis Testing

The hypothesis tested is that participation in an accelerator increases the likelihood of a startup scaling internationally.

Data Collection and Model Specification

The dataset for this study comprises various Romanian startups, with data collated on their year of founding, participation in acceleration programs, total investment raied, and their international scaling status.

Software Utilization

For the statistical analysis, I utilized Excel Statistic Data Analyser Software Pack which offer sophisticated methods for logistic regression and hypothesis testing.

4. Econometric Analysis

This chapter delves into the empirical examination of our research question. Utilizing a dataset of 77 Romanian startups (excluding UIPATH) presented below in Table 1, we aim to empirically test the hypotheses formulated earlier regarding the impact of acceleration programs and investment on startups' likelihood of scaling internationally.

Table 1. Top Romanian startups data

Startup Name	Year Founded	Accelerator	Total Investment Raised	Scaled internationally Western VC Investment
Undelucram	2011	0	€ 1,800,000	1
Licenseware	2020	1	€ 570,000	0
Goodlegal	2022	0	€ 1,056,000	0
Bware Labs	2020	0	€ 772,800	0
Profluo	2021	1	€ 475,200	0
The Outfit	2021	0	€ 712,800	0
KFactory	2019	1	€ 600,000	0
Innoship	2019	1	€ 572,000	0
Hyperhuman	2020	0	€ 1,000,000	0
FLOWX.AI	2019	0	€ 7,480,000	1
YLOAD	2019	0	€ 700,000	1
Ogre AI	2021	0	€ 2,000,000	1
Framey	2019	0	€ 880,000	0
Aqurate	2019	0	€ 440,000	0
Bright Spaces	2019	0	€ 3,700,000	1
Veridion	2019	1	€ 6,600,000	1
Bunnyshell	2018	0	€ 5,632,000	1
dotLumen	2020	1	€ 13,200,000	1
TOKHIT	2021	0	€ 93,000,000	1
Procesio	2020	0	€ 2,500,000	0
Footprints.ai	2017	1	€ 2,500,000	1
Questo	2017	1	€ 1,672,000	0
Bobnet	2018	0	€ 2,376,000	1
Frisbo	2014	1	€ 4,200,000	1
Omniconvert	2013	0	€ 1,000,000	1
Invisum AI	2024	0	€ 500,000	0
Yarooms	2016	0	€ 2,000,000	0
Stailer	2019	1	€ 2,000,000	0
ESX	2017	1	€ 2,000,000	0
EcoTree	2017	1	€ 750,000	0
RepsMate	2020	1	€ 640,000	0
Tekpon	2020	1	€ 2,112,000	1
FINQware	2018	1	€ 3,200,000	1

Instant Factoring	2018	0	€ 7,400,000	1
Flip	2019	1	€ 8,400,000	1
Xvision	2018	1	€ 1,400,000	1
Bob Concierge	2018	0	€ 6,512,000	1
Nooka Space	2020	1	€ 2,000,000	1
FintechOS	2017	1	€ 80,168,000	1
Druid AI	2018	0	€ 44,528,000	1
typingDNA	2016	1	€ 7,832,000	1
OutThink	2019	0	€ 12,144,000	1
Machinations	2018	1	€ 4,224,000	1
Deepstash	2019	1	€ 3,256,000	1
SmartDreamers	2014	0	€ 1,900,000	0
Cyscale	2019	1	€ 3,000,000	1
CartLoop	2020	0	€ 369,600	0
Aggero	2018	1	€ 3,700,000	1
Planable	2016	1	€ 880,000	1
MedicAI	2018	1	€ 1,200,000	1
Ialoc	2016	1	€ 860,000	0
Jobful	2018	1	€ 880,000	1
Eyelet	2021	1	€ 136,400	0
Agora Robotics	2020	1	€ 1,144,000	0
Mocapp	2019	1	€ 878,000	0
iziBAC	2017	1	€ 160,000	0
Beez	2018	1	€ 1,700,000	0
VoxiKids	2020	1	€ 484,000	1
HeyMedica	2019	1	€ 250,000	0
Softlead	2013	1	€ 220,000	0
Synaptiq	2019	1	€ 160,000	0
Prime Dash	2017	1	€ 650,000	0
Quarks interactiv	2020	1	€ 230,000	0
Charger.ro	2014	1	€ 250,000	0
Kinderpedia	2014	1	€ 1,700,000	0
Profluo	2016	1	€ 625,000	0
Digitail	2016	1	€ 12,936,000	1
EasySales	2019	1	€ 2,100,000	0
Nestor	2018	1	€ 1,760,000	1
Bloomcoding	2021	1	€ 1,100,000	1

Palmo	2022	1	€ 500,000	0
Oncochain	2020	1	€ 460,000	1
Comarket	2020	1	€ 300,000	0
Metabeta	2019	1	€ 500,000	0
Cyber Swarm	2017	1	€ 880,000	1
Nifty Learning	2017	1	€ 270,000	0
Adservio	2008	1	€ 2,000,000	0

Source: Author's own research based on startup financial data collected from Crunchbase.com or from first-hand interaction

The dataset includes variables such as the year each startup was founded, their participation in acceleration programs, the total investment raised, and whether they have scaled outside Romania or received Western VC investment. Further, a logistic regression analysis was conducted to explore the relationships and impacts of these variables, aligning with our formulated hypotheses.

Table 2. Regression Statistics

|	
Multiple R	0.30954741
R Square	0.0958196
Adjusted R Square	0.0586615
Standard Error	0.48792336
Observations	77

Source: author's own research.

The regression yields a Multiple R value of 0.309547405, indicating a positive linear relationship between the independent variables and the likelihood of startups scaling internationally if they went through acceleation. The R Square value of 0.095819596 suggests that 9.58% of the variance in scaling success is accounted for by the model. The Standard Error 0.487923359 underscores the potential for improvement in the model's predictive accuracy.

The model with only 77 observations is somewhat limited, and additional unaccounted-for factors have significant influence over a startup's ability to scale internationally, like investment raised.

To investigate this, we analysed the investment data and prepared in Figure 2 below, a visual depiction of the distribution of total investment raised by Romanian startups in relation to their acceleration status and success in scaling internationally.
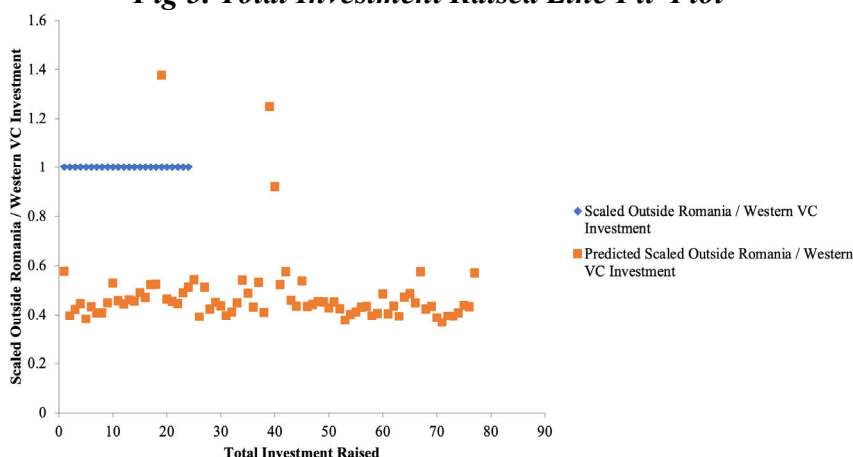
Fig 2. Distribution of total investment raised
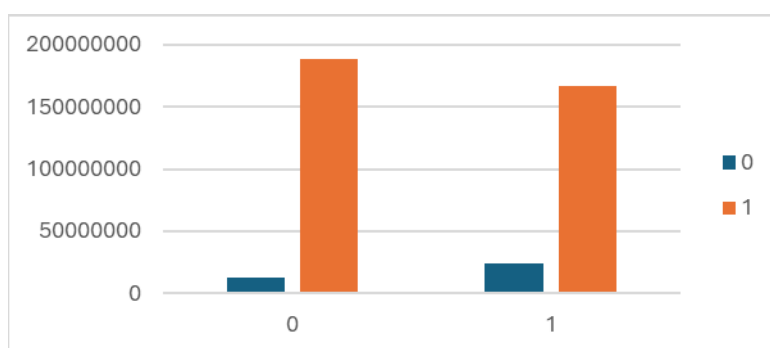
Source: Author's own research based on startup financial data collected from Crunchbase.com or from first-hand interaction

It is evident that the bulk of investment funds have been channeled into startups that have participated in acceleration programs and/or succeeded in scaling outside of Romania. Out of the total 390 million Euro in investments poured in into the analysed startups 354 million were received by the ones who scaled internationally with 166 million raised by the ones who passed through an accelerator.

This graphical analysis supports the hypothesis that acceleration and successful scaling are closely interlinked with higher investment attraction, indicating a virtuous cycle of growth and funding within the startup ecosystem.

This is also revealed by Total Investment Raised Line Fit Plot in the Figure 3. below. This plot displays a meaningful relationship between the total investment raised and the likelihood of startups scaling internationally, as indicated by the model's predictions.

Fig 3. Total Investment Raised Line Fit Plot

Source: Author's own research based on startup financial data collected from Crunchbase.com or from first-hand interaction

This finding aligns with the hypothesis that increased financial backing plays a significant role in facilitating international scaling for startups.

The results of the ANOVA (Analysis of Variance) provide insight into the collective effect of the independent variables on the probability of startups scaling internationally.

Table 3. ANOVA

	df	SS	MS	F	Significance F
Regression	3	1.841727301	0.6139091	2.57870018	0.060112444
Residual	73	17.37905192	0.238069204		
Total	76	19.22077922			

Source: author's own research.

The ANOVA table reveals an F-statistic of 2.57870018 with a corresponding p-value of 0.06011244, above the threshold of 0.05, suggesting that there is some statistically significant combined effect of the included predictors on the dependent variable.

Table 4. Regression Table

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	27.38346187	44.85013249	0.61055476	0.543390642	-62.00272328	116.769647	-62.00272328	116.769647
Year Founded	-0.013339377	0.022218536	-0.600371529	0.550118017	-0.057620855	0.030942102	-0.057620855	0.030942102
Accelerator	-0.04874222	0.122248713	-0.398713565	0.691268162	-0.292383554	0.194899113	-0.292383554	0.194899113
Total Investment Raised	1.02278E-08	3.89129E-09	2.628394247	0.010452467	2.47251E-09	1.79832E-08	2.47251E-09	1.79832E-08

Source: author's own research.

The regression table reveals the individual predictor of 'Total Investment' as the most significant factor in determining a startup's success in scaling internationally. These findings suggest that financial backing plays a crucial role, more so than the mere fact of having gone through an accelerator program or the startup's age.

5. Findings

Impact on Startup Development: One of the most significant findings of this research is the role accelerators play in the developmental phase of startups, making them more attractive to both local and international investors.

Building a Network of Trust: Accelerators have been identified as key players in establishing a network of trust between startups and investors, both local and international.

Facilitating Foreign Capital Influx and International Scaling: The data and case studies analyzed indicate that startups that have gone through accelerator programs are more likely to attract foreign investment and scale internationally.

Trends in Venture Capital Funding: The analysis of venture capital funding trends in Romania reveals a positive correlation between accelerator participation and increased venture capital funding.

6. Practical Strategies and Public Policy suggestions

We analyzed Romanian public policies in relation to startup growth, an used comparative insights from EU strategies to identify potential areas for improvement (Priestley et al., 2021). Simultaneously, we outline practical strategies for Romanian startups to effectively leverage accelerator networks, informed by successful approaches observed in other European countries (Gutmann et al., 2019). This dual focus not only highlights the critical role of policy in nurturing startup ecosystems but also underscores the importance of strategic alignment and collaboration with accelerators to navigate the global market successfully.

Practical Strategies for Accelerators:
- Global networking initiatives like meetups and pitching events, or partnering external accelerators for cross-border collaborations.
- Mentorship Programs focused on international scaling strategies.
- Investment workshops adapted for international markets.
- Leverage successful alumni networks for international expansion.

Policy Recommendations:
- Startup Investment Incentives for VCs investing in early-stage startups, especially the ones that support international expansion.
- Government-Backed Co-Investment Funds
- Revising Business Angel Legislation
- Supporting International Market Access through government programs that facilitate international market access for startups
- Educational Initiatives: supporting programs focused on entrepreneurship and international business.

7. Limitations and Future Research

Despite our comprehensive analysis, this study has certain limitations, beyond the limited number of startups analysed, in the focus on Romanian startups which might not fully encapsulate the broader European startup landscape's dynamics. Future research directions include a deeper investigation into the interplay between accelerators, angel or VC investments, and government policies, that could provide a more holistic view of the startup growth trajectory.

8. Conclusion

Accelerators emerge as indispensable catalysts in the international success of Romanian startups. They significantly increases their attractiveness to international investors, particularly in CEE markets.

Public policies are instrumental in nurturing an environment conducive to innovation and entrepreneurship. Providing funding, simplifying bureaucratic processes can enhance the growth potential of startups.

International scaling and the influx of capital are influenced by the level of knowhow and investor confidence assigned for accelerated ventures

The findings of this research highlight the value of engaging with accelerators as startups, and also investors. For policymakers, the research underscores the need for supportive public policies that encourage startup growth and collaboration. The lessons drawn from the Romanian context, as well as parallels with other EU countries, provide valuable guidelines for these policies.

In conclusion, our research affirms the indispensable role of accelerators in the international success of Romanian startups. The intertwined support from accelerators, public policies, and foreign investment creates a fertile ground for startups to thrive and scale beyond local markets, marking a path for sustained growth and innovation in the Romanian startup landscape.

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