

RESEARCHING ROMANIAN TOURISTS' OPINION REGARDING 'PRICES IN TOURISM'

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Abstract

'Prices in tourism' represent a very delicate and difficult subject if you think that a single service can have at least ten different prices in and out of tourism season.

In particular for this industry, tourism services quality need to be considered in the light of price. Why? Because the tourists often accept that a better quality product will cost more.

The present paper is about researching Romanian tourists' opinion regarding 'prices in tourism' and offers practical solutions for improving the quality-price report for the Romanian tourism services.

Key words: *tourism, prices, tourists, quality-price report*

1. Introduction

There is widely accepted evidence that prices are one of the most important factors in decisions about whether, and where, to undertake trips (Forsyth and Dwyer, 2009).

Classical economists in tourism like Pender (1999) and Holloway (2002) strongly suggested that managers in organizations take decisions in such a way as to maximize profits. The complexity of the market place and internal cost (fixed and variable) in travel and tourism make this approach difficult. For instance, unless managers know exactly the extent to which reducing prices will increase their sales, they cannot predict that the reduction will maximize profits (Pender, 1999).

Seasonality of the tourism demand leads to expectations on pricing as demand for uptown city hotels from commercial business tends to reduce in high summer. On the other hand, tour operators and ferry companies are able to increase prices in high summer when demand is at its peak.

The travel and tourism industry is highly segmented industry, with varying elasticity of demand in those segments (leisure travelers vs. business travelers; family visitors vs. single visitors; and so on). This allows for differentiated prices offering the same product at different prices to different tourist.

Prices in tourism represent a very delicate and difficult subject if you think that a single service can have at least ten different prices in and out of tourism season. Only in an accommodation facility (in a hotel) the demand differential pricing can lead to the following rates and packages according to Wearne and Baker (2002): holiday packages, weekend rates, business rates, frequent-user rates, corporate rates, family rates, share room rates, convention rates and cooperative rates for wholesalers of tours, travel packages, and airline seats.

In particular for this industry, tourism services quality need to be considered in the light of price. Why? Because the tourists often accept that a better quality product will cost more.

The present paper is about researching Romanian tourists' opinion regarding 'prices in tourism' and offers practical solutions for improving the quality-price report for the Romanian tourism services.

2. Materials and Methods

The direct marketing research was undertaken at the Romanian International Tourism Fair, autumn edition, between 15 and 18th November 2012 using a questionnaire with closed questions for a sample of 290 respondents.

The Likert and the ranking scale were used in order to determine and interpret the research results, as marketing methods.

The respondents profile was as follows:

	%
<i>Gender</i>	
Male	40
Female	60
<i>Age</i>	
18-24 years	43
25-34 years	33
35-44 years	12
45-54 years	8
55-64 years	2
Over 65 years	2
<i>Education</i>	
Secondary	2
High school	47
Degree Bachelor	46
Degree Masters, Doctorate	5
<i>Employment status</i>	
Student	51
Employed	42
Unemployed	2
Self-employed	5
Retired	
<i>Income per person per month</i>	
Less than 1000 lei	40
1001 – 1500 lei	23
1501 – 2000 lei	15
2001 – 3000 lei	15
More than 3001 lei	7

3. Results

The first question from the research aimed to determine how often the respondents traveled for tourism purposes and the results are illustrated in table no.1.

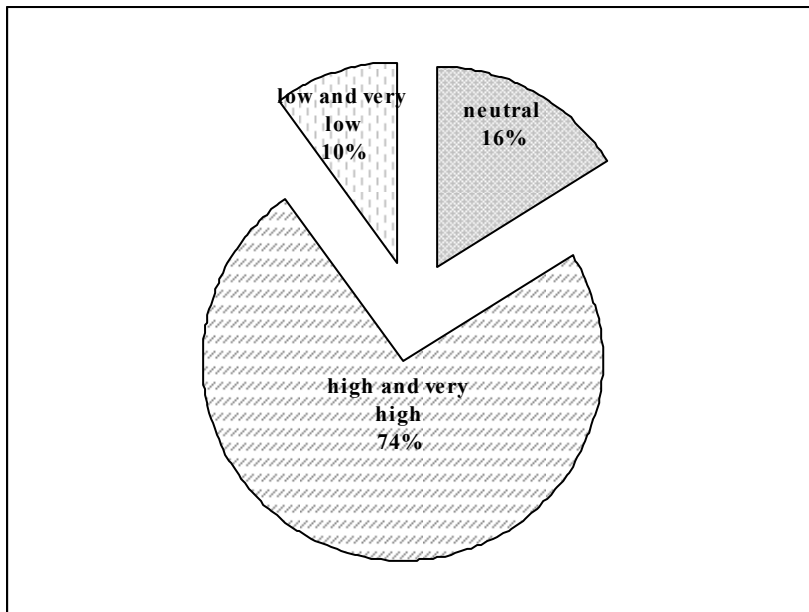
Table no. 1 How often do you travel for tourism purposes?

	%
Once a year	28.97
Twice a year	31.38
Three times on year	21.03
More than three times on year	18.62

The respondents answers are in direct correlation with their income per person per month and strongly suggests the fact that Romanian tourists do not travel so much as they would like. The constraints are primarily form financial reasons, and second from time reasons.

The second question form the research was about Romanian tourists' opinion regarding the prices levels of the touristic products offered by the decision-makers from Romania. The results are presented in graph no.1.

Graph no.1 In your opinion the prices charged by Romanian tourism operators are?



Analyzing the percentage values, the perception of the respondents regarding the prices of tourism operators seeks the following distribution: 74% of respondents

considered that they are high and very high and only 10% from the total respondents believed that they are low and very low. Those who did not express their opinion were 16%. The reasons for these answers are that the Romanian stakeholders pursue different and private interests for their business. The price-quality report for the Romanian tourist services is not adjusted properly in the benefit of the tourists. A short time strategy in tourism with high prices for the tourist services may affect the demand volume.

The third question from the research strengthens the research objective by asking the respondents to rank the importance of the following four characteristics of the touristic package: the price, the attractions, the staff behavior and the diversification. The results are presented in the table no.2.

Table no.2 In your opinion the most important feature of the tourist product is:

	Rank	Percentage
The price	I	37.24
The natural/ made attraction	II	36.21
The staff behavior	III	17.63
The diversification	IV	8.92

As it could be seen from the table no. 2 all the components of the touristic product are important for the customers, gaining high percentages from the total. But, for the Romanian tourists the most important feature is represented by the price of the product. First comes *the price* and after that all the other elements that constitute the package. The buying decision for the Romanian tourists is made according to the price for the tourist product.

Second comes the attractions, both natural and made at the tourism destination in the preferences of tourists. For others, this particular characteristic is situated first, but you need a tourism education and a different level of income to afford to think in such manner.

The third rank represents the staff behavior and sometimes the atmosphere and the hospitality can make a difference between a good or bad vacation.

'Selling holidays is like selling dreams' (Holloway, 2009) and this is true because the tourists are buying more than a simple collection of services. They are also buying the opportunity to sit on a sunny beach, the temporary use of a strange environment, plus the culture and heritage of the region and other intangible benefits such the local warmth.

The tourism services diversification is the forth characteristic ranked by the respondents when choosing a travel package. The ambiance and the facilities are important when tourists talk about good services at the holiday destination. Service is the memory taken away by satisfied customers, and the good memories are recommendations to other customers.

4. Discussion

After researching Romanian tourists' opinion regarding 'prices in tourism' we find out that the prices are high and very high related to service quality.

The reasons for these answers are that the Romanian stakeholders pursue different and private interests for their business. The price-quality report for the Romanian tourist services is not adjusted properly in the benefit of the tourists. A short time strategy in tourism with high prices for the tourist services may affect the demand volume.

The Romanian tourists are guided by *the price* of the tourist package. Second comes the natural and made attractions of the tourist destination, the staff behavior and the diversification and facilities of the tourist services.

The balance between price and quality largely determines the success of a tourism business. Because of that a proper long time strategy in pricing is needed for the Romanian tourism services. Only in this way the prices in tourism will be attractive for the Romanian tourists.

Another proposal for improving price quality report is the collaboration of all the actors involved in tourism industry: the state, the managers, the tourism business owners, the local community, the non-professional associations and the tourists.

Long time discounting for tourism services is not a solution because will affect decisions regarding product quality.

Differentiated prices can be a solution offering customers a choice of values. For example, a hotel with a luxury restaurant might also offer low priced dinner room. In this way, different customers can find their own price level.

Another solution is maintain a low or medium room price and recover profits from other products and services (the bar, the club, the spa, the business conference room, the swimming pool, the fitness club, the lounge, the room service, and other facilities). In this way early booking discounts or special promotions can be offered.

All these solutions are improving the quality-price report for the Romanian tourism services.

5. References

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