

THE INTERNATIONAL TOURISM MARKET BETWEEN CONTINUITY AND CHANGE - THE CASE OF ROMANIA

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Abstract

In the case of full economic crisis, in the 2012, the international tourism industry has registered a historical record: over a billion international tourist arrivals. In Romania, even though it has a growth trend, the incoming circulation is ranked at a very low position (approximately 1.6 million foreign tourist per year).

In this context, this study analyses the main continuity and changes elements developed in the recent years on the traditional active markets (source) for international tourism: ranking the main countries of tourists' origin and the substantial alterations reported in the last decade; the various evolutions of demand for the international tourism and realizing specific typologies. Also, there are evaluated the promotion efforts of Romanian tourism on the international market and in the end, strategic priorities for short term are highlighted.

Keywords: International tourism market, outbound tourism, tourism import, tourism balance, international tourism expenditure

1. Introduction

The analysis of international market can be done from a dual direction, perspective of the same phenomenon: the analysis of tourist destinations market (the inbound tourism), which refers to the non-resident visitors traveling within that country (tourism export); the analysis of countries emitting tourists, by country of origin (outbound tourism), meaning the residents travel activities abroad (tourism import).

In the present study the second option has been chosen, analysing the value volume and dynamics of international tourism market based on international expenditure numbers, from the tourism balance as a component of the balance of payments of every country.

The international tourism expenditures represents consumer spending for purchasing products and tourism services by the residents of a country, abroad, at destination, including the spending in the country of origin, the pre-trip ones, but connected to this.

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It must be mentioned that registration of the real and precise value volume of tourists expenditure in another country is a difficult step, because it doesn't exist the possibility of control and it can't be predicted the tourists' mandatory character to declare the spending of tourism consumption.

As a result, to assure complete information, relevant and coherent ones it was used a single source, the publications of World Tourism Organization (UNWTO). These provides information from the tourism balance of every country, based on registrations from Central Bank, reports of tourism economical agents and the results of research obtained by specialized statistical institutes.

2. Top 25 countries

All states ranked in top 25 (see *Annex 1*) recorded international tourism expenditure of at least 10 billion US dollars, together holding approximately 71% of international tourism market.

The two biggest tourism source markets were and remained Germany and United States (about 16% of international demand), which in the last decade have shifted places, as a result of different growth rates of demand for international tourism, expressed in each country. If in 2000 United States placed itself on the first position, outranking Germany with over 17 billion US dollars, in 2011 Germany has reached the top with 6.6 % over United States (over 5 billion US dollars). The immediate effect was to accentuate the negative tourism balance for Germany, unlike the United States that continues to register a positive balance.

In 2011, between the 25 countries, there can be seen two major states categories [International Monetary Fund], from the economic point of view, as follows:

A. Advanced economies, classified in three subgroups:

- The major Advanced Economies (the Group of Seven): from Germany (first place international), followed by United States, United Kingdom, France, Canada, Italy till Japan (9th place international);

- European Advanced Economy, placed in European Union space and Euro Zone but also outside those: Belgium – 11th place, Netherlands – 14th place, Spain – 18th place, Norway – 19th place, Sweden – 20th place, Switzerland – 24th place, Austria – 25th place;

- Newly Industrialized Asian Economies, states with a very large population, even though, the land surface are, sometimes, very small: Singapore – 13th place, Korea – 15th place, Hong Kong – 16th place. In the same geographic area (Asia – Oceania) it's placed Australia – 10th place.

B. Emerging and developing economies are represented by two subgroups:

- BRIC countries: China – 3rd place, Russia -7th place, Brazil – 12th place, India -22th place;

- Some countries from Middle East: Saudi Arabia – 17th place, Iran – 21th place, United Arab Emirates – 23th place;

Over the last decade, the changes have been essential:

- The impressive growth of demand in BRIC countries. China has reached the 3rd place, closed to Germany and United States, after being placed 9th; the first three countries have now over 23% of international tourism demand. Russia has continued to increase in ranking, moving six places in advance, while Brazil and India has succeeded to enter top 25. Very good results were accomplished also by, Iran and United Arab Emirates, that got into top 25, while Saudi Arabia has consolidated its position.

All these countries an immense growth potential of international tourism demand, presenting a very high elasticity of consumer spending manifested with increasing GDP.

- The states from G7 have generally maintained their position, finding themselves on an ascending trend of demand; with one exception (Japan has decreased the demand from 3.5 billion US dollars in 200, to 27.2 billion US dollars in 2011).

The different growth rates have determined that the G7, found in 2000 on the first seven position in global hierarchy, to be penetrated by two states – China – 3rd place and Russia – 7th place. If to these nine countries we add Australia – 10th place (with many similarities) it can be concluded that the demand for international tourism continues to maintain a high concentration, the states from Top – 10 holding over 46% of world total.

- Although recorded absolute demand growth, a series of European states (Austria, Switzerland, Sweden, Netherlands, and Belgium) dropped a few places in ranking. In these cases it is possible the appearance of a natural phenomenon of demand, the more so as international tourism expenditure per capita stood since 200 at a high level.

3. The main trends in the global crisis period

Every crisis can be briefly characterized by three elements: the depth of contraction (the decline), duration and the subsequently recovery. From this point of view, the evolution of demand for international tourism (outbound), after 2008, presented in *Anexa1* can be synthesized in five typologies as shown in *Figure 1*.

Type1. (T1) In this group are seven countries. Along the BRIC countries, there are Australia, Singapore and Iran, countries with specific characteristics, clearly separated from other states. All countries registered in 2011 much higher levels of expenditure in comparison to 2008: China (+107%, doubling the demand), Brazil (+94%), Iran (+85.7%), India (+54.6%), Russia (36.5%). In Australia and Singapore, states with a very high level of expenditure, the increases were moderate (18.8%, respective 14.7%).

As a result, the effects of global crisis hardly it had felt, the majority of countries from this group recorded significant increases in external demand each year, including 2009, the peak year of crisis. There is only on exception, Russia which after a slowdown in 2009 with -12.1%, quickly recovered (27.2% in 2010, 22.1 in 2011).

The correlation between the dynamics International Tourism Expenditure and the dynamics of GDP is very intense, the external tourism demand being very elastic in relation to GDP. None of these countries represents an important source of tourist for

Romania. With sustained efforts and properly focused, Romania can become a successful destination, especially for Russia and China.

Type2. (T2) In this group, there are six countries: four European states (France, Belgium, Norway, and Sweden) and two more distant countries, from the geographical point of view: Canada and Hong Kong. These recorded a relatively small decline in 2009 (11.5% in France, - 6.1% in Sweden), after which the level of 2011 significantly exceeded the previous outbreak of the global crisis (+5.7 % in Sweden, up to 19.4% in Belgium).

From this group, in present, only France and Belgium may be of interest for Romanian tourism. In the other cases, the large distances, the lack of direct airlines, or the lack of promotion have generated a limited appeal for the Romanian touristic destinations.

All of them are economically developed countries that even though reached a relatively high level of spending in the outbound tourism, are further expressing their inclination for international tourism, aspects reflected by the elastic demand in relation with the dynamics of GDP.

Type3. (T3) It encompasses three major states on international tourism market (Germany, United States and Italy), that represent 18.7% of total international tourism expenditure. After a significant decline in 2009 (-4.3 % Italy, -5.9 % Germany, -7.9% United States), the current level is approaching the pre-crisis one. For Romania, all of the three countries are particularly important, with a remarkable growth potential of demand; this is the way the promotion efforts must be continued and intensified.

Type 4 (T4) Is particular to the economically developed countries, with a relatively small population (Switzerland, Netherlands, Austria), in which the pre-crisis spending was very elevated. This saturation phenomenon generated standstill trend in 2009 followed by further reductions. This results in an inelastic demand dynamics, uncorrelated with GDP dynamics, under the influence of other factors. For Romania, these three countries present a distinct interest, especially for business tourism.

Type 5 (T5) In this group there can be found states which registered the most pronounced decline in 2009: United Kingdom (-13.6%), Japan (-18.4%), Spain (-12.6%), United Arab Emirates (-22.1%). In Japan the regress has started since 2008, trend reflected also in the Republic of Korea. More than that, in United Kingdom, Japan and Spain, the 2009 fall was followed by a new contraction in 2011.

In all of these states, the actual level of international tourism expenditure is situated well below the pre-crisis (-15.3% in united Kingdom, -24.6% Japan, -10.1% Spain, -11% United Arab Emirates).

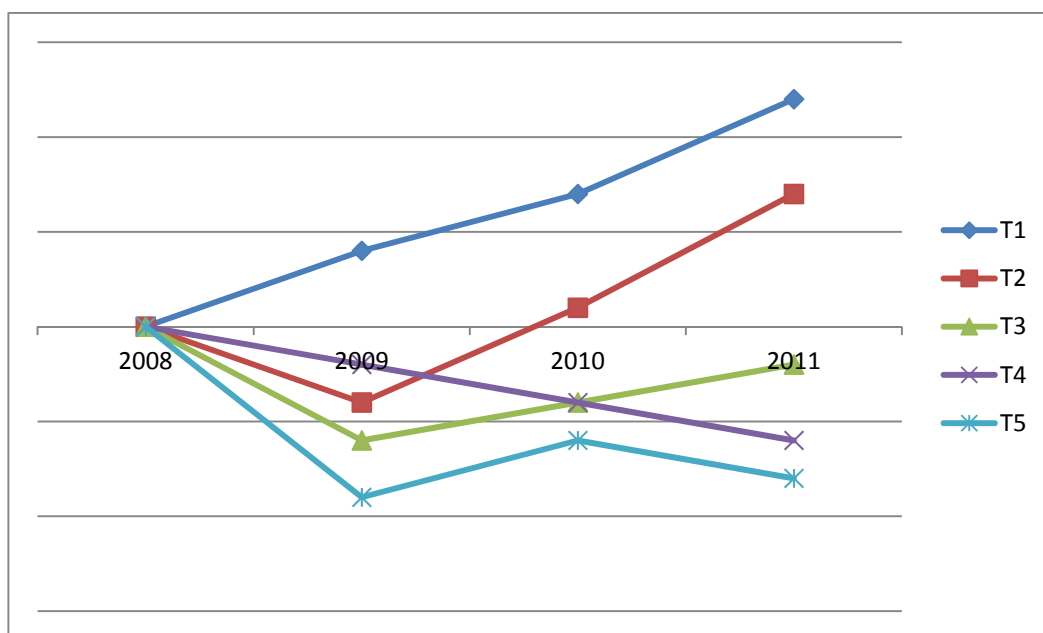


Fig no 1. The typology of evolution of international tourism expenditure

4. The promotion of Romanian tourism products on international market

Romania's tourism activities are organised to offer a large perspective over its natural and anthropic potential. The actors involved are creating and developing tourism services to a wider range and segmented on the necessities and desires of the residents and foreigners. Even though the initiatives to develop Romanian tourism have generated an increase in tourism circulation and attractiveness of destinations, the number of foreign visitors is not yet satisfactory.

In consequence, creating products that determine a special interest of different tourists, promoting them in an innovative way, and catering for an exigent consumer is considered to be an essential action toward the growth of foreign visitors sector. More than that, identifying Romania as an important destination is based on a multitude of actions focused on increasing the notoriety degree on a global scale, understanding the changes determined by the economic crisis and the trends registered in the consumers' purchase habits.

An overview of the arrivals of foreign visitors presents a general image over the evolution of tourist circulation by origins analysing a decreasing trend (table 1). A brief analysis of 2008-2010 generates a negative result in terms of arrivals, increases identifying a general decreasing phenomenon due in part to the lack of promoting strategies of Romanian tourism. The 2011 brings a small recovery registered at the continent level, with exceptions for some countries that suggests similitudes regarding the promoting activities of Romanian tourism.

Arrivals of foreign visitors in Romania, by origin

Table 1.

Thousand

	2008	2009	2010	2011
Europe	8411	7203	7098	7180
EU	5566	4799	4456	4391
Austria	210	180	177	193
Belgium	44	37	42	50
Bulgaria	1114	877	789	797
Czech Republic	135	101	80	80
Cyprus	11	8	8	10
Denmark	17	13	11	14
Estonia	6	4	4	4
Finland	10	9	8	11
France	183	150	131	153
Germany	522	443	395	381
Greece	118	90	71	83
Ireland	15	11	10	13
Italy	433	375	331	352
Latvia	4	4	4	4
Lithuania	10	10	9	9
Luxemburg	1	1	1	1
Malta	1	1	2	2
Netherlands	80	67	66	78
Poland	227	223	238	250
Portugal	16	20	47	47
United Kingdom	128	104	92	109
Slovakia	148	114	98	84
Slovenia	37	35	23	17
Spain	71	67	63	77
Sweden	24	19	24	26
Hungary	1950	1836	1735	1546
Belarus	37	43	56	57
Serbia Montenegro	184	170	244	19
Macedonia	13	12	18	1330
Republic of Moldova	1429	1043	1216	250
Russian Federation	63	73	92	120
Turkey	303	258	265	271
Ukraine	730	724	672	648
Africa	18	17	21	22
Egypt	6	4	6	6
America	191	169	171	182
USA	137	119	117	123
Asia	224	171	195	211
Israel	96	76	81	83
Australia - Oceania	16	14	13	15

Source: Romanian Statistical Yearbook, 2012, ISSN 1220-3246;

The promotion strategy must be elaborated in the broader context of the global strategy regarding tourism marketing, by coordination and correlation with the other elements of marketing mix (product, price, distribution). The promotional message is required to be approached for different levels of communication and phases of the process of formation and expression of behaviour of potential clients. [Florescu,1997].

The first level of communication is the cognitive one, of informing, role being to draw attention and to capture consumers' interest, by providing information regarding originality, position, uniqueness of Romanian tourism product. At the present time, the image of Romania, the most common, is underlined by two hypotheses: foreigners either associate Romania with a number of negative aspects, or don't have sufficient information to form a real image on Romania. In these circumstances the image of Romanian tourism on local, regional, global level must be promoted in a lesser extent by classic advertising (clips, commercials), very efficient methods in the case of other countries, when applied in a different settings and international context. As a result, the actions must be focused on public relations, promoting through image vectors, especially journalists and tour operators.

The public relation concept must have a strategic and proactive role, total openness and communicative organizations, rather than a tactical and reactive function, a simple presentation and distribution of information. [Gregory,2009].

Two principal instruments that can be used in the PR activity:

- Amplifying mass-media relations, that represent, the most influent instrument; it is focused on interviews and press articles, organizing press conferences, but especially organizing tours of information and documentation for press and tour operators; the result of this collaboration can be a published article in a specialized magazine or a documentary broadcast on TV, the theme being concentrated around the main particularities of a destination (geography, population, art and culture, tourism attractions, handcraft, folklore, traditional customs, gastronomy, history, religion etc.) accentuating the originality and national identity elements.

- Manifestations with promotional character, involving the participation abroad in tourism fairs, symposiums, conferences, congress and expositions with a tourism theme and adjoining areas such as: geography, history, literature, art, culture etc. On this occasion, beside the use of brochures, guides and leaflets (printed and digital), there can be organized a series of promotion events for Romania as destination (dedicated shows, caravans for information and promotion in different target countries etc.).

At the next level of communication, the affective one, the promotional message aims to the emotional and motivation stimuli. The main purpose is to neutralize the negative impact of persuasive advertising practiced, in some cases in foreign media, and finally to change the individual attitude and beliefs in a favourable way in order to promote Romanian tourism. By sophisticated marketing tools it can be created images of tourism products to ensure compatibility, more so an overlap with a particular type of a potential consumer. This advertising method exploits the representation of an ideal holiday by stimulation psychological and social determinants of tourist demand (surprises, common experiences, and the hospitality of the residents etc.) [Petr., 2011], underlining the great virtues of the journey, understood as exploitation and discovery, but also as affirmation of

the identity of the origin of tourism destinations. Likewise, the symbolism of utopias and historical myths about different destinations must be exploited, placing the local legends in the spotlight.

At the last level of communication, the behavioural level of motivations, the promotional message is focused on stimulating the purchase desire, by applying different sales promotion techniques: practicing special prices, granting bonuses or free services, organizing contests with free holidays in Romania as prizes etc.

In addition, it is necessary to create a national brand that defines Romanian tourism and puts it on a global map, with a high potential of all tourism forms, from the classic, traditional ones (mountain tourism, seaside tourism, spas etc.) to new ones, modern (black tourism, adventure tourism, etc.) This is why all marketing efforts must be directed to generate high attractiveness for all types of consumers, making the transition from mass tourism to tailor made trips for the benefits of tourists and the local destinations, with accent on the less known ones.

Responding to the needs of tourists in terms of service providing, a good collaboration of public and private sector will be the proper answer; the initiatives created based on this connection offer a tourism identity of Romanian destinations for a wider range of potential tourists.

5. Conclusions

The national strategy for promoting the Romanian tourism offer on external markets must be not only *offensive*, targeted towards a rapid and significant attraction of a large number of tourists, but also *realistic* taking into account that expected progress of renewal and modernization, of increasing the services competitiveness is relatively slow and last but not least, *cautious*, meaning efficient oriented promotional funds, considering the limited character of these.

In this context, there can be underlined three priority directions for the years to follow:

1. The neighbouring countries must become the main target for tourists. Even though, presently, the promotion of Romanian tourism in these countries is often insignificant, these countries hold the largest share in the total number of foreign tourists. In this case, the easy access to Romania and the accessible value of tourism offer become determinants of foreign demands.

2. In western countries a high selectivity promotion policy is needed: where there is continuity, experience and tradition, the promoting efforts may be intensified (the case of Traditional source countries like Germany, Italy, and Austria; in the areas where, there isn't a special interest Romania's tourism offer, for many years (with the exception of business tourism), there must be identified the causes and decide upon continuing the promotion investments.

3. New markets must be reached, regardless of the geographical area, with high potential in tourism exports and a great interest for our country's tourism offer (China, India, Middle East, the West Balkans states and the Black Sea area, etc.).

Focusing on new markets, but not overlooking the traditional ones, will increase the opportunity of Romanian destinations to become a name in the worldwide ranking.

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Annex 1**World top source markets by international tourism expenditure**

Rank		Country	Billion US dollars 2011	% change (local currencies, current)	
2011	2000			2011/2008	2009/2008
1	2	Germany	84.3	-2.0	-5.9
2	1	United States	79.1	-1.7	-7.9
3	9	China	72.6	+100.7	+20.9
4	3	United	50.6	-15.3	-13.6
5	5	France	41.7	+7.2	-1.5
6	7	Canada	33	+14.0	-3.3
7	13	Russian	32.5	+36.5	-12.1
8	6	Italy	28.8	-1.0	-4.3
9	4	Japan	27.2	-24.6	-18.4
10	17	Australia	26.9	+18.8	+2.5
11	10	Belgium	22.3	+19.4	-2.6 ^{***}
12	26	Brazil	21.3	+94.0	-0.6
13	25	Singapore	21.1	+14.7	-0.4
14	8	Netherlands	20.5	-0.2	+0.4
15	14	Korea,	19.5	+2.1	-21.1
16	16	Hong Kong	19.1	+18.9	-3.1
17	19	Saudi Arabia	18.2	+20.0	+35.0
18	18	Spain	17.3	-10.1	-12.6
19	22	Norway	16.3	+17.3	-2.6
20	12	Sweden	15.8	+5.7	-6.1
21	50	Iran	14.2 [*]	+85.7 ^{**}	+19.2
22	28	India	13.7	+54.6	+8.8
23	32	United Arab	11.8 [*]	-11.0 ^{**}	-22.1
24	15	Switzerland	12.5	-5.7	+0.6
25	11	Austria	10.5	-2.4	+0.3

Source: UNWTO World Tourism Barometer –International tourism receipts surpass U S\$ 1 trillion in 2011, Madrid, 2012;

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^{*}) 2010

^{**}) % change 2010/2008

^{***}) % change 2010/2009