

Trends driving the hotel industry global evolution. Case of Romania

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Abstract: *The tourism field is well known for the dynamic of changes over recent years. We witness the continuous growth of the number of tourists, the increase of consumers demands, the development of new markets and the changes determined by information technologies implementation and adaptations and innovations supported at the level of tourism business. Being a defining component in the tourism industry, the hotel field is individualized through specific evolutions and significant adjustments in relation to the general rate of changes and development trends recorded. In this framework, through this article, the author aims to assess which are the most relevant changes recorded in the Romanian hotel industry and the degree in which this specific activity field follow the trend of changes recorded at international level.*

Key-words: *hotel industry, accommodation units, accommodation nights, trends.*

1. Introduction

Over the past six decades, tourism has experienced continued expansion and diversification, becoming one of the largest and fastest-growing economic sectors in the world. Many new destinations have emerged in addition to the traditional favorite of Europe and North America. Despite occasional shocks, international tourist arrivals have shown virtually uninterrupted growth – from 25 million in 1950 to 278 million in 1980, 528 million in 1995, and 1087 million in 2013 (http://dtxqtq4w60xqpw.cloudfront.net/sites/all/files/pdf/unwto_highlights14_en.pdf). Tourism is one of the fast-growing sectors of the European Union (EU) economy. It is also undergoing important changes, as the interests of more and more customers shift towards the online environment (Marinescu and Toma 2012, 71).

The global dimension of the hotel field is assessed at the momento at 3,5 trillion dollars, figure directly correlated with the upward trend of tourism industry, in general (Tewari 2010, 5). In the recent year trade barriers were reduced, markets have globalized, product life cycle is shorter and the desires of consumers increasingly converge (Brătucu and Boşcor 2008, 25).

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2. Theoretical background

The accommodation services are a necessary component of the tourism development and the quality and diversity of these services influence the type of visitors of a certain city. The success of any tourist destination depends on a hotel industry ready to receive and accommodate tourists (Pop et al. 2007, 65). The offer of tourism producers and distributors are differentiated depending on the type of accommodation units which will host the tourist at destination and the accommodation alternatives ensured by hotels, guesthouses, secondary residences, camping etc., influence the other components of the tourism product acquired (food services, for example), and the purchase price of holidays and independent tourism services. The target of the continuous improvement of quality is the development of the company simultaneously with satisfying and attracting loyal customers (Madar and Neacșu 2013). Based on the preponderance of the emotional factor in relation to the rational one in terms of tourism services, the way the potential consumer reacts to stimuli coming from the consumption of tourism services and how he perceives the “universe” of a destination becomes essential in creating the image of that destination (Stăncioiu et al. 2013, 40).

The hotel is no doubt the most representative tourism accommodation unit offering accommodation services and meals to any person who accepts to pay the rate for the services offered, without requiring prior existence of a contract (Snack et al. 2001, 321). In our country, according to law, the hotel is considered a reception structure arranged in buildings, offering tourists rooms, studios and suites properly equipped ensuring the provision of specific services, has a reception hall, reception and, as appropriate, catering rooms (The order of National Tourism Authority 65/2013). As it is sensitive to various external environmental influences - like most businesses, the accommodation company is now - so complex (Lupu 2010, 4). Currently the Romanian hotel industry profile depicts a highly fragmented sector, as the low level of concentration within domestic hotel groups and the low international brand penetration rate show (Pop 2014, 67).

3. Research method

A study published in 2014 by Amadeus, one of the biggest global distribution systems, study made in cooperation with Oxford Economics, shows that, at global level, before 2006, the volume of accommodation nights by domestic travelers was higher than for international travelers (Amadeus-Shaping-the-Future-of-Travel-Macro Trends-Report). Around the financial crisis, the two were at roughly the same level, but from 2009, the two began to diverge. From 2009 to 2012, international accommodation nights grew by 20% but domestic accommodation nights only grew

by 5.8%. The revealed issues and trends were afterwards compared with the statistic analysis of the Romanian hotel industry.

4. Results

Based on current trends, domestic and international accommodation nights are forecast to continue to diverge from 2013 to 2023, with international accommodation nights growing at an annual average rate of 5.1% compared to 3.4% in domestic accommodation nights. Table 1 summarizes the growth rates Oxford Economics' TDM model forecasts for the next decade as well as providing results for the last decade.

Region	Average Annual 2002-2012	Growth [%] 2013-2023
Asia	8,5%	15,1
MEA	8,4%	11,9
Europe	2,1%	3,9
Americas	3,7%	6,4

Table 1. Growth in overnight visitor flows by region
(Source: Amadeus-Shaping-the-Future-of-Travel-Macro Trends-Report)

On the other hand, the evolution of international accommodation nights is distinguished through different trends at global level, as presented in table 2.

Region	Average Annual 2002-2012	Growth [%] 2013-2023
Asia	10,9%	7,3
MEA	12,9%	4,8
Europe	1,5%	3,2
Americas	5,1%	6,1

Table 2. Growth in international accommodation nights by region
(Source: Amadeus-Shaping-the-Future-of-Travel-Macro Trends-Report)

Also, the same study has analyzed the situation of local accommodation nights, as presented in table 3.

Region	Average Annual 2002-2012	Growth [%] 2013-2023
Asia	11,9%	4,4
MEA	-1,9%	5,5
Europe	0,0%	2,8
Americas	0,1%	3,5

Table 3. Growth in domestic accommodation nights by region
(Source: Amadeus-Shaping-the-Future-of-Travel-Macro Trends-Report)

As concerning Romania, the situation of accommodation nights within the period 2009-2013 is presented in table 4.

Period	2013	2012	2011	2010	2009
Romanians	15884	15869	14912	13284	14657
Foreigners	3478	3297	3067	2767	2668
TOTAL	19362	19166	17979	16051	17325
Growth total overnight stays	1,02%	6,6%	12%	-7,5%	-
Growth domestic overnight stays	0,01%	6,42%	12,26%	-9,4%	
Growth of foreigner overnight stays	5,49%	7,5%	10,84%	3,71%	

Table 4. Overnight stays in tourist establishments

(Source: http://www.insse.ro/cms/files/Anuar%20statistic/20/20%20Turism_ro.pdf)

Data presented in table 4 reveal the effects of the economic crisis felt in Romanian tourism, mainly, at the level of the year 2010, when the situation of overnight stays has recorded significant decreases. Therefore, the total number of overnight stays decreased with 7.5%, the overnight stays of Romanian tourists decreased with 9.4%, the only increase being recorded at the level of foreign tourists overnight stays in the accommodation units from Romania, in a percentage of 3.71%.

The results obtained in the year 2011 manage to overcome losses of the previous year, and by 2013 the value of overnight stays records continuous increases. The average annual increase of the indicator overnight stays in accommodation units records the following values: 3.03% at the level of total overnight stays, 2.32% the average annual increase of local overnight stays and 6.88% the annual average of increases recorded at the level of the overnight stays of foreign tourists who visited Romania. Comparing these average values with the similar average values recorded at the European continent level positive evolutions of the accommodation activities from Romania are shown, at all analyzed indicators. As results from these evolutions, the overnight stays of foreign tourists have recorded the most significant increases, but it should be mentioned the fact that the indicator's absolute values are distinguished by low values, lower compared to levels recorded in neighboring countries that we compare with as international tourism destinations (Hungary, Bulgaria).

Several international studies show the predictive changes of the behavior of the future tourist, so that the tourism offers, especially the hotel ones, to ensure the necessary and normal conditions in order to prepare a coordinated adaptation.

In this framework we witness the increase of the need to segment the hotel offer. The tourist of the year 2020 will appreciate customized, personalized tourism offers. The thorough knowledge of the needs and expectations of potential guests of the accommodation units will influence decisively the repetitive nature of tourism demand. More, the favorite term in conducting market researches in this direction is "micro-segmentation", namely the identification of data and sophisticated and multiple techniques for showing and attracting customers with a similar profile with the present guests. The statement that will mark the success of a hotel unit is "hear me, study me, know me and remember me". The mainly operation of independent accommodation units in Romania is a guarantee towards providing hotel services tailored to the needs of tourists, which is well known as a prerequisite for the market success of the units managed independently. On the other hand, the majority of these units is small and therefore cannot guarantee high standards of quality and comfort.

Another trend shown is that of tourists who will appreciate simple travels, accommodation and food services as simple and natural as possible, with genuine character and cheap. The Romanian pensions located in rural regions, particularly those who practice agro-tourism and focus on local and ecological food production will continue to thrive in these conditions, to the extent that they will be able to identify appropriate promotional actions. In this framework, the financial pressures of the future years will affect the travel budget of many tourists. Also, it shouldn't be ignored the important number of wealthy and hard to please tourists. A trend that is maintained is the increase in the percentage of senior tourists.

An issue that will mark the profile of foreign visitors is associated to the significant increase of the appetite of citizens from countries almost nonexistent on the map of tourism sender a few years ago, persons with high incomes and willing to travel. It is about tourists coming from Brazil, Russia, India or China. The idea of segmentation and adaptation of hotel supply is, as further evidence, a key factor in the marketing actions of accommodation units. At least so far these categories of tourists have not visited Romania in large numbers. In 2013 they represented only 2.5% of all foreign tourists arriving in Romania. This trend should be considered a priority for the actions that will be undertaken by the national tourist authorities to promote Romania as a tourist destination.

5. Conclusions

The international hotel industry records permanent developments and changes. The lack of immediate action measures will generate undoubtedly deficiencies with medium and long-term effects. In our country the efforts to develop the hotel offer were sustained. They must however be continued in order to identify the international trends as early as possible and undertake the appropriate adaptation measures.

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