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ANALYSIS OF ROMANIA'S AND TRANSYLVANIA'S TOURIST SUPPLY DEVELOPMENT AND PERFORMANCE

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Abstract
The paper's premise is that a strong link exists between Romania's poor tourism performance and the quality of its hospitality supply. In this respect, a comparative analysis of Romania's and Transylvania's tourist offering is carried out aiming at identifying the particularities of their development and the causes of their poor performance. The motivation for having chosen Transylvania resides in this region's attractiveness among foreign tourists; it is a destination with a high potential favoring the development of some tourist products competitive on the international market. Thus, based on a comprehensive secondary data analysis regarding the public lodging facilities, the paper presents their geographic dispersion, the development of the accommodation capacity by levels of classification, the number of available beds, the types of units, the structures' international affiliation, the main Romanian owners, etc. The dispersion by levels of classification, together with the net usage indexes of the accommodation capacity, characterize the performance of this industry. The research study emphasizes the fact that despite a high tourist potential, the present-day hospitality supply cannot support a healthy development of the tourist activity, and presents some possible causes.

Keywords: tourism supply, hospitality, development, performance, hotel owners and managing companies/organizations, statistic analysis.

JEL Classification: C46, L83

Introduction

Romania's tourist offering is briefly characterized in several official documents, elaborated by the Romanian authorities with the purpose of developing Romanian tourism: *The National Strategy for Tourism for 2004-2006*, *The Regional Operational Program (ROP) 2007-2013*, *The Master Plan for Romania's National Tourism 2007-2026* etc. Before 1989 Romania used to be an important tourist destination for the Eastern-European market; tourist products were promoted such as: seaside, spa, cultural circuits, and also the monasteries in Northern Moldavia and Bukovina. Regrettably, the Romanian tourist offering (mainly developed in the 1970's) has stopped its evolution, thus becoming

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unattractive and uncompetitive on the international market. Despite the fact that the eight development regions, including the least developed counties, are endowed with a very valuable tourist potential, the contribution of tourism to the national GDP was and continues to be a modest one. The experts consider that Romanian tourism is supported by some segments which function well and develop properly: agritourism, spa tourism, mountain tourism, circuit tourism and events tourism. Romania's tourist potential is diversified and relatively evenly distributed at the level of the country's regions, these possessing a significant tourist potential from the perspective of natural, cultural and historic resources. Of course, when it comes to the exploitation of each region's tourist potential, disparities occur related both to their historic development conditions and also to the development at national level of the general infrastructure. Infrastructure related problems often obstruct the ability to exploit highly attractive resources, mainly due to the lack of accessibility. Such a situation has also led to the development of some destinations to the detriment of other ones. A high concentration of resources exists in the area of the Southern Carpathians, and these are exploited by the means of mountain, water and spa resorts of national and local interest.

Relying on the outlined literature review and on the presented methodology, the main stages of the present research will cover: the analysis of Romania's and Transylvania's tourist potential, the discussion of the development of the national and regional accommodation supply and of the manner in which they support the development of tourist destinations, and also the analysis of the performance of the accommodation services providers (in terms of occupancy ratios). All of these will lead to the formulation of several conclusions.

2. Literature Review

Once the Iron Curtain was eliminated, the former communist Eastern European countries, Romania included, reentered the international tourist market, raising the interest of the Occident. In this context, Romania was challenged to take advantage of this opportunity. The perspective of a growing number of tourist arrivals in the country's various destinations, determined an increased demand for infrastructure (Butler, 1980), especially in the tourist accommodation sector. In order to contribute to the development of tourism, lodgings must be available in the right quantity and quality to match the expectations of the arriving travelers. Thus, a growth of the tourists' number determined the intensification of the business activity and an investment flow in the hospitality industry. The expected high revenues of the hospitality sector, made the industry attractive for entrepreneurs willing to explore new business fields. The loop is supposed to be completed with a strong and well developed infrastructure that would eventually increase tourism spending and generate new opportunities for related businesses areas of the local economy, all leading to further tourism growth (Butler, 1980). Despite the occurrence of such an opportunity, Romania had a slow start, as for more than 15 years after the fall of communism, the investment level in the hotel and restaurant sector constantly represented less than 2 % in the total investments made in Romania, also having an ignorable contribution to the GDP (Pop, et al., 2007, pp. 120-121). Thus, the accommodation supply became obsolete and unattractive.

As Hong (2008, p. 59) states: "Tourism's competitive advantages arise from effectively using the resource endowments of a tourism destination to attract potential tourists.

Additionally, competitive advantages provide insight into the reallocation strategy of different tourism resource endowments to modify existing comparative advantages." In this context, performance may be related to competitiveness. According to the same author, some of the determining competitiveness factors are: a) *infrastructure investments* (including: accessibility design, lodgings, transportation systems and specific food) of a destination, which are the most important functional bases, also known as advanced factors (in Porter's terminology); b) *strategic planning to market ties* (including: building tourism linkages with related characteristics and creative activities) of a destination, that are the secondary functional institutional investments which can attract potential tourists, also known as internationalization of domestic demand (in Porter's case); c) *growth and development* (including: economic growth and public security system development), which constitute the socio-economic status of a destination and that can robustly support tourism related facilitates (infrastructure) and tourism safety network systems; d) *operational performance effectiveness* (including: one-stop tourism package services) of a destination is the primary motivation of tourists; the operational performance effectiveness of a destination mainly depends on the sophistication of domestic tourists and their high level of demanding expectations in comparison to other destinations; thus, according to the Porter analysis, sophisticated domestic tourists not only provide incentive to review tourism related services delivering high performance but also serve as an early warning indicator of mainstream tendencies in worldwide tourism services or the need for transition or change (Hong, 2008, pp. 59-63).

Perhaps more than in other cases, in the field of tourism, customers are surrounded by unlimited choices, thus, the service providers are facing an uphill battle to meet the needs of their ever demanding customers, who can very quickly opt for other providers, if dissatisfied by an experience (Abdullah and Hamdan, 2012). For hotels, the main indicator of success is closely linked to the occupancy rate (Abdullah and Hamdan, 2012). Obviously, the higher the rate, the better the performance in terms of profits. The hotel occupancy rate is influenced by external and internal factors. The first category includes the: state of the economy, technological development, political environment, legislation, and the demographics. The second type of factors is related to: hotel management challenges, quality of service, pricing policies and fees, the variety and quality of food, accommodation, and entertainment facilities, respectively to the location of the hotel. Consequently, a poor performance in terms of service quality generates problems related to the internal factors (Abdullah and Hamdan, 2012). Given the large variety of opportunities and threats determined by the business environment of the hospitality industry, "in order to be sustainable in today's competition, creating a strong brand name and image are crucial. For a hotel to create a strong brand name, it must have outstanding quality service and competitive pricing." (Abdullah and Hamdan, 2012, p. 200).

The analysis of the international branded hotels is important and useful as foreign tourists tend to opt for their preferred brands when and where they are available (Pranić; Ketkar and Roehl, 2011). They do so either because of their loyalty programs or in order to make sure that within less familiar or less developed destinations, such as Romania, the provided services meet the expected quality levels. Foreign visitors tend to be the main clients of international affiliated hotels, probably because of the globalization and McDonald-ization phenomena that determine an increased demand for standardized services, guaranteed by hotel chains (Hociung and Frâncu, 2012).

The performance of the Romanian providers of tourist services is associated to the occupancy rate, as the specialized literature indicates that in order for an accommodation unit to survive it needs to realize an average occupancy rate of minimum 50 %; in order to be profitable, this level must be surpassed. (Negruşa, 2006: 108). Other authors (Kainthola, 2009, p. 134) consider that the breakeven point is only achieved at a higher ratio of at least 60 %, which makes it even more challenging. Moreover, the improvement of the provided services' quality is clearly necessary both at national and at regional levels; in this respect, specialists recommend the implementation of the total quality management concept, with the main purpose of increasing the tourists' level of satisfaction.

2. Methodology

The paper presents a comparative study of the tourist supply from Romania and Transylvania with the purpose of identifying Transylvania's development potential and competitiveness, and also the causes of its poor performance until now. In order to reach the goals of this research a quantitative analysis was carried out based on secondary presented in statistical yearbooks and in relevant reports or documents. Within this attempt the development of the tourist supply was analyzed and its dynamic studied with the support of a system of specific indicators: accommodation capacity, tourist supply and occupancy rate. Transylvania was delimited according to the 16 counties that constitute the regions of development Center, North-West and West.

For the evaluation of Romania's and Transylvania's tourist potential, the pieces of information comprised by the legislation that regulates the territory's arrangement have been processed. Thus, on one hand, the natural and man-made resources, respectively, the infrastructure related problems of the destinations have been centralized, (OUG 142/2008 section VIII and Law 190/2009, section VIII), and, on the other hand, the protected areas and the cultural heritage values of national importance have been systematized (Law 5/2000 section III). Romania's and Transylvania's tourist offer once characterized as described above, the analysis continued based on the data collected by the National Institute of Statistics (INS) in the Romanian Statistical Yearbooks (RSY), in the Monthly Statistical County Bulletins (MSCB) and in the *TempoOnline* database.

Relying on the results of the most recent Census of the Population and of the Residencies (October 2011) Romania's and Transylvania's exact number of cities, towns and communes was determined. At governmental level, the authority for tourism draws up periodically an official list comprising all of the authorized facilities. The pieces of information available in the list of December 2012 were compared to the list of administrative-territorial units (ATUs) with high and very high tourist potential and to the lists with the official databases of lodgings and public food and beverage (F&B) structures in order to determine the measure in which the supply supports Romania's and Transylvania's tourist potential (OUG 142/2008, Law 190/2009 and MRDT, 2012).

3. Results and Discussions

One of the specialists' conclusions regarding Romania's tourism is that the least developed or even not developed at all regions of the country include the most important tourist objectives and attractions. It is exactly tourism that can ensure their revitalization, by

exploiting their natural and cultural resources. The analysts have divided Romania's tourist potential into two categories: *areas with complex and highly valuable tourist potential* (covering around 24 % of the country's surface and including: the National Parks and the Biosphere Reservations, natural monuments, natural protected areas, values of cultural national heritage, spa resources, museums and memorial houses, etc) and *areas with high tourist potential* (covering another 34 % of the country's surface and including: natural reservations and monuments of national interest, values of cultural national heritage, spa resources, museums and memorial houses, etc) (NTAP section VI. Tourism, Appendix 3). To these areas several ATUs containing: natural and man-made tourist attractions, rich in opportunities for the development of tourism but with a lower density must also be added (NTAP, section VI. Tourism, Appendices 5 and 6).

A quick analysis of the information processed based on NTAP and presented in Table no 1 a brief characterization of Romanian tourism both from the perspective of available natural and man-made resources and also from the point of view of the measure in which the support and the specific infrastructure contributes to its development.

A first finding reveals that the ATUs of Transylvania's counties concentrate around 54 % of all of Romania's tourist resources; the settlements in which there are both natural and man-made resources register a higher quota. Secondly, both in the case of all of Romania and in that of Transylvania, in particular, the situation of the destinations endowed with natural and man-made resources, with the technical and specific infrastructure needed for an optimal usage of these resources is disastrous: 79.2 % of the ATUs with high and very high concentration of tourist resources in Romania and 80.2 % of those in Transylvania face infrastructure problems (Table no. 1).

Table no. 1: The Situation of Natural and Man-made Resources, and that of Support and Tourist Infrastructure in Romania and in Transylvania

Region of Development	Tourist Resources (Total number)	Infrastructure Problems (Number)	ATUs with High and Very High Concentration of Tourist Resources (number)					
			Dominant Tourist Resources			Infrastructure Problems		
			Natural	Man-made	Natural and Man-made	Tourist	Technical	Tourist & Technical
Romania	**1,164**	**922**	**529**	**372**	**263**	**369**	**110**	**443**
Transylvania	**627**	**503**	**251**	**213**	**163**	**226**	**46**	**231**
North-East	162	129	65	55	42	31	24	74
South-East	132	116	79	40	13	38	12	66
South	123	89	70	34	19	43	20	26
Bucureşti-Ilfov	6	2	1	2	3	2	0	0
South-West	114	83	63	28	23	29	8	46

Source: own calculations based on: OUG 142/2008 and Law 190/2009

This analysis also reveals that the regions with the most ATUs with many and very many natural and man-made tourist resources also concentrate the largest number of settlements that face technical and tourist infrastructure problems, their number is worryingly high.

The Development of Romania's and Transylvania's Tourist Accommodation Facilities

As the chart below (Figure no. 1) reveals the largest number of lodging facilities was generated by villas and hotels. This is due to the fact that Romanian accommodation units had a very high development during the 1970's. The investments made during the communist era had the purpose of developing an accommodation infrastructure adequate for mass tourism, which is why many large hotels of low classification were built. This situation continued during the early 1990's; only around 1993-1994 the first boarding houses began to appear (agritourist pensions and farms, rural and urban pensions or boarding houses). The beds offered by the public authorized and classified lodgings seem to be dominated by those in hotels. The supply is still dominated by the beds provided in hotels. From the perspective of their classification, most of the beds offered before 1990 were of 1 or 2 stars (as today's equivalent).

Figure no. 1: The Development of Accommodation Facilities between 1970-2013

Sources: own calculations based on: INS, RSY, 1971-2010 and TempoOnline, 2014.1

The accommodation supply (Figure no. 2) had an ascending development until 2010. Significant changes occurred in the sense of the increase of the accommodation supply's quality, in the context of the decrease of the quota of the poorly classified structures (privatized in the 2000's, and subsequently renovated or closed-down). New types of lodgings began to appear after 1989, of which the most important contribution, in terms of both number and supplied beds, belongs to: hotels (generally, small hotels), urban boarding houses, rural and agritourist boarding houses. Still, while the number of facilities has more than doubled, the number of available beds remained almost unchanged. About 80 % of the existing accommodation capacity functions all year long.

The accommodation supply continues to be dominated by poorly classified or even unclassified structures. If such a distribution was acceptable during the times when social programs were the main priority, today, the marketplace makes the selection; thus, by taking a look at the evolution of both the demand for accommodation and the occupation rates of the lodgings, one may conclude that tourists reject the supply because of the poor quality level. At the end of 2013, the 3, 4 and 5 stars/flowers represented around 50 % in the total number of facilities and beds (Figure no. 2).

Despite the fact that the number of lodgings has constantly increased during the past years, a slight decrease in the number of beds has been noticed, fact that indicates the appearance of new

tourist facilities but of small size, and on the other hand, the restructuring, renovation or even closing of certain large-scale units (Figure no. 4).

Figure no. 2: Available Beds, by Level of Classification between 1970-2013

Sources: own calculations based on: INS, RSY, 1994-2010 and TempoOnline, 2014.2

By December 2012 (MRDT) in Romania were authorized: 7,736 authorized lodging facilities, with 153,433 rooms and 320,074 beds. The accommodation facilities are relatively small, having an average of 19.8 rooms per facility and offering 41.4 beds per unit; of these, 3.96 % have less than 5 places. (Figure no. 4)

Figure no. 3: Accommodation Supply – Romania and Transylvania

Source: own calculations based on: INS, RSY, 2005-2010 and TempoOnline, 2014.2 and 3

The most numerous accommodation units are the boarding houses (a total of 3,917 pensions, meaning almost 51 % in Romania, and 2,389 facilities, respectively 63 % in Transylvania). The comparative analysis carried out based on the criterion of the quota by types of boarding houses, urban, rural and agritourist, revealed that the structure available at national level is respected in Transylvania with a single exception: the quota of agritourist pensions is two times larger compared to the national average. Thus, in Transylvania 31 % are rural, 28 % urban and 5 % agritourist boarding houses. This fact strengthens the idea of the rural potential for tourism

in the Transylvanian region. The overall contribution of the boarding houses in the total number of beds is of approximately 21 % in Romania and of nearly 35 % at regional level.

Transylvania accounts for around a third of the available beds in Romania and for about a half of the functioning beds at national level (Figures nos 3 and 4). Despite the fact that most of the available beds can be found in region Center, followed then by the regions North-West and West, regarding the functioning beds, regions Center and North-West have similar numbers. In 2012 there can be noticed a significant increase in the number of available beds in region Center, still it cannot be also observed in the region's functioning beds. In Transylvania, region Center is the destination that concentrated the richest accommodation supply, as it also accounts for some of the most important Transylvanian tourist destinations and attractions, enjoying a very generous tourist potential.

Figure no. 4: Lodgings, Rooms and Beds by Region of Development

Source: own calculations based on: MRDT, 2012

The analysis of the accommodation supply by levels of classification (MRDT, 2012) has led to its characterization. Thus, the supply is dominated by facilities of 3 stars/flowers (42 % in Romania and 46 % in Transylvania) and 2 stars/flowers (34 % in Romania and 32 % in Transylvania), while 1 star/flower lodgings are rather few (7 % in Romania and 6 % for Transylvania). The upper-scale structures have a rather modest contribution (15 % at national level and 14 % at regional level), while the luxury segment is very small (of only around 2 % in both cases). Most probably, at national level this situation is due to the fact that region South-East, which has around 20 % of the lodgings, provides the most accommodation places (of all beds, on the seaside, there are around: 52 % – 1 star/flower beds, 43 % – 2 stars/flowers beds, 28 % – 3 stars/flowers beds, 22 % – 4 stars/flowers beds, and 25 % – 5 stars/flowers beds).

An analysis realized by practitioners (*Horeca*, 2012) revealed that in the summer of 2012, in Romania were functioning over 8,000 pensions, offering approximately 140,000 beds. Of these, only less than half were classified but still the number represents an improvement compared to the previous year (with 500 more authorized boarding houses and over 10,000 beds). Thus, the quota of the beds supplied by all the pensions in the national total rises to almost 40 % of the entire national accommodation capacity. The top regions in terms of accommodation supply are: South-East, Center and West, these being the destinations that also receive the highest demand levels for the services of the tourist boarding houses. Region Center has around 2,800 units. Moreover, the counties Constanța, Brașov, Prahova, Suceava and Sibiu

gather over half of the active boarding houses and of the available beds (*Horeca*, 2012; MRDT, 2012).

Figure no. 5: The Main Types of Lodging Facilities in Romania and in Transylvania

Source: own calculations based on MRDT, 2012

Hotels contribute to the national accommodation supply by almost 19 % in accommodation units and around 53 % in beds, and by a little over 14 % in units and 36 % in beds in Transylvania. Hostels and motels are poorly represented on the market, being mainly found in the seaside resorts, in county residencies and in urban resorts. Tourist villas are present: in municipalities and at the seaside, spa and mountain resorts; together with the bungalows they constitute an important category of lodgings. Chalets are often associated to mountain and hunting tourism; over 70 % of them can be found in Transylvania (especially in the Center and Western regions), while the remainder are in the North-Eastern and Southern regions. Camping sites and camping-type chalets are two other types of facilities usually associated to mountain tourism; around half of Romania's supply is located in Transylvania, especially in the Center region. Vacation villages represent a type of accommodation facilities with a great development potential, which does not yet have a significant development neither at the national nor at the regional level, with only 14 vacation villages functioning in Romania, of which just 6 in Transylvania, and only a single one is themed, Arsenal Park from Orăştie, Hunedoara County. (Figure no. 5)

The Accommodation Facilities and the Destinations with Tourist Potential

Romania has 3,179 ATUs, of which 37 % are in Transylvania; of the 319 cities and towns, 44.5 % are in Transylvania, while of the 2.860 communes, 36.4 % are in Transylvania. A total of 1,164 Romanian ATUs (36.6 %) have high and very high tourist potential; of these, 79.2 % face significant infrastructure problems (Table no. 1). Transylvania has 627 ATUs with high and very high tourist potential; of these, 80.2 % face significant infrastructure problems (Figure no. 6 and Table no. 1).

Figure no. 6: Lodging Facilities by Types of Settlements and of Destinations

Source: own calculations based on MRDT, 2012

As the data presented in Figure no 6 reveal, the accommodation supply available at the national level and in Transylvania is not sufficiently developed and, consequently, fails to support the destinations with high and very high tourist potential. An even worse situation occurs in the case of the supply of F&B services. A very poor supply of leisure services must also be added to this current situation. Cumulated, the above-mentioned aspects can only explain the modest performance of Romania's and Transylvania's tourism, and can, at the same time, provide a series of reasons why the demand of Romanians and of foreigners is still low. (Figures no. 8 a & b)

One of the tools that can be used in order to diminish these negative effects is to some extent provided by the presence on the local market of international hotel chains, because: "International hotel brands are a necessity for any tourist destination. First of all, these ensure a distribution system, meaning that they bring clients to a specific destination. […] Those tourists who have a vacation culture opt for international branded hotels. […] An international chain imposes a series of standards that must be fulfilled and, at the same time, keeps track of the conditions and facilities the hotel provides to its client." (Tiron, 2010).

At the end of March 2013, 16 international hotel groups and chains with one or more brands were present on the Romanian market; these added up to 54 hotels, with 7,744 rooms and 15,279 beds; these were: *Wyndham Worldwide* (11 hotels under the brands *Howard Johnson* and *Ramada* and 3,696 beds); *Accor Hotels* (6 hotels under the brands *Ibis*, *Novotel* and *Pullman*, and 2,438 beds); *Hilton Hotels & Resorts* (6 hotels under the brands *Double Tree*, *Hampton* and *Hilton*, and 1,707 beds); *Best Western* (11 hotels and 1,307 beds); *Golden Tulip Hotels, Inns & Resorts* (5 hotels under the brand *Golden Tulip* and 1,274 beds); *IHG – InterContinental Hotels Group* (2 hotels under the brands *Crowne Plaza Hotels & Resorts* and *Intercontinental*, and 846 beds); *Rezidor Hotel Group* (1 hotel under the brand *Radisson Blu* and 814 beds); *Marriott International* (1 hotel under the brand *JW Marriott* and 810 beds); *Danubius Hotels* (3 hotels and 788 beds); *Select Hotels Group* (1 hotel under the brand *Select Hotels Collection*, and 374 beds); *Vienna International Hotels & Resorts* (1 hotel under the brand *Vienna*, and 353 beds); *NH Hoteles* (2 hotels and 314 beds); *Europa Group Hotels* (1 hotel under the brand *Europa Royale* and 204 beds); *Hunguest Hotels Hungary* (1 hotel under the brand *Hunguest Hotels*, and 188 beds); *K+K Hotels Group* (1 hotel and 124 beds), and *Minotel* (1 hotel and 42 beds) (MRDT, 2012 and websites of the international hotel groups and chains).

The region Bucureşti-Ilfov concentrates the most international affiliated hotels; cumulated, Transylvania's three regions rise to the same number of hotels but only provide half of the capital's beds. Only 3 branded hotels are present on the seaside; their supply of beds is insignificant. Most of the branded hotels (40) are units of 4 and 5 stars, while de mid-scale and budget segments are rather weak (2 hotels of 2 stars and 13 of 3 stars).

A stronger presence of the international hotel brands on the local market can only contribute to the increase of the qualitative level of the accommodation supply, by generating a more intense market competition. Thus, the local chains and groups would also be stimulated to improve their supply.

Figures no. 7 a & b: The Groups and Chains, by Levels of Classification

Source: own calculations based on MRDT, 2012 and on the websites of the local hotel groups, chains and units and chains

The followings local companies may be treated as hotel groups or chains: *Unita Turism* (the largest Romanian hotel chain, owned by Josef Goschy has: 18 hotels with 4,374 beds, and also several villas), *Phoenicia Hotels & Resorts* (belonging to Mohammad Murad has: 16 hotels with 3,905 beds), *Continental* (owned by Radu Enache, includes: 8 hotels and a motel, plus 4 other internationally affiliated hotels; with 1,812 beds), *ARO* Palace (6 hotels and 1,279 places), *Ana Hotels* (owned by George Copos has: 5 hotels and 1,057 beds), *Călimăneşti-Căciulata* (5 hotels and 1,694 places); *Împăratul Romanilor* (5 hotels, with 722 beds), *Rin Hotels* (owned by Negoiță brothers, with 4 hotels and 2,170 beds), *Rina Hotels & Resorts* (4 hotels and 885 places), *International Hotels* (2 hotels and 483 beds) and *Residence Hotels* (with 2 boutique hotels and 136 beds). Except for four companies (*Călimăneşti-Căciulata*, *Rin Hotels*, *International Hotels* and *Residence Hotels*), all of the other hotel groups and chains are present in Transylvania, too, with 26 hotels and 5,054 beds (meaning a little over 27 %).

Most of the Romanian hotel owners do not seem to be interested in developing hotel chain and group identities. A large number of hotels (71 % of the total number) are independent properties; around 13 % of the beds are offered by companies owning two hotels. The owners of three, four or five hotels are insignificant on the market both in numbers of hotels and beds. The large owners of Romanian hotels manage 105 hotels, comprising 33,236 beds (around 18 % of the national supply): *SIF Transilvania* (40 de hotels and 14,006 beds, including: *SC Turism Covasna SA* with 3 hotels, *SC Turism Felix SA* with 7 hotels and *THR Marea Neagră* with 20 hotels), the Romanian unions (18 hotels and 8,368 beds, among which: *Cartel Alfa* with 3 hotels, *BN SIND Balneo Turism* with 12 hotels and *CSDR SIND Turism* with 3 hotels), *TBRCM* (15 hotels and 3,684 beds), Micula brothers' companies (14 hotels and 4,941 beds), some cooperatives (10 hotels and 460 beds), and RA-APPS (8 hotels and 1,777 beds).

The larger quota of the local branded hotels classified at 3, 4 or 5 stars, indicates an increased interest of the investors towards upper-scale and luxury facilities, both in Romania and in Transylvania (Figures no. 7 a & b). At the same time, in the case of the other hotels (much more numerous, in fact) one may notice that 45 % at national level and 38 % in Transylvanian are ranked at 1 and 2 stars, respectively another 39 % of Romania's facilities and 42 % of those in Transylvania are 3 stars hotels. The upper-scale and luxury segments are poorly represented compared to the mid-scale and economic facilities (16 % in Romania and 20 % in Transylvania).

As foreign tourists tend to have higher expectations regarding the quality of the provided services, the supply that targets them mainly belongs to the international branded hotels. In the providers' view Romanian tourists seem to have lower expectations. This is a reason why the main local hotel operators have not improved the quality of their supply but they have decided to continuously increase the prices. Obviously, this was not a winning strategy, as it led to the constant decrease of the Romanian interest towards national destinations.

The Performance of the Local Suppliers Reflected by the Occupancy Rate

Due to the continuous decrease of the tourists' interest towards local destinations, the accommodation units have begun to face problems related to their occupancy rates. The net occupancy rates of the functioning capacity (Figure no. 8 a) have registered a continuous descending trend, dropping at the national level from almost 70 % in 1989 to a little over 20 % in 2013 (for hotels the figures fell from over 70 % to only 30 %, and for villas they decreased from approximately 60 % to only 20 %); in Transylvania they dropped from 40 % to a bit over 20 % in 2013.

The boarding houses (urban, rural and agritourist) have never managed to realize occupancy rated above 15-20 %, registering today indexes even below 15 %. Seasonality is a phenomenon that occurs both at national and at regional level: with a more intense activity during the summer season (Figure no. 8 b). Altogether, 2013 has been the worst year, while 2004 and 2007 have registered the best results. Over the warm season a slight improvement of the performance occurs during the years of 2011 and 2012, followed by a new decline in 2013. The values remain poor, registering during the most recent peak season at most 40 % at national level and a little over 30 % in Transylvania. If during the first part of the researched time-span, the seaside used to register the best occupancy rates, beginning with the year of 2000 it was the spa resorts that took their place. Both of the destinations have been following a decreasing trend although there have been some recovery moments. A very visible decrease appears in the case of the mountain destinations, from over 40 % in 1990 to less than 20 % in 2010.

Figures no. 8 a & b: The Development of the Occupancy Rate

Source: own calculations based on: INS, RSY, 1971-2010 and MSCB, 2005-2014

The seasonality that occurs in the case of arrivals, overnight-stays and average duration of stays of Romanian and foreign visitors obviously generates visible effects upon the net occupancy indexes of Transylvania's accommodation capacity, which has registered throughout the entire analyzed time-span lower levels than the national ones. Still, it must be mentioned that Transylvania faces a lower seasonality phenomenon than Romania on the whole, with a slightly more extended season (Figure no. 8b).

Overall, the values of the net occupancy indexes of the accommodation facilities registered in each of Transylvania's counties are worryingly low. Not even the traditional spa destinations (Bihor and Caraş-Severin counties) register a demand capable to ensure longer durations of stay to at least diminish, if not cancel the effects of seasonality. Covasna is the only exception that occurs, but despite its higher occupancy rates compared to those of other counties, it does not register significant arrivals. Without any exception, all counties have registered decreases of their occupancy rates throughout the entire analyzed time-span, with more or less significant recoveries, if any at all.

Conclusions

Clearly, the global economic crisis has also affected Romania's and Transylvania's tourist activity, being up to a point responsible for the significant diminishing trend of the occupancy rates in all Transylvanian destinations. Despite all of these, the main reason why a still relatively cheap destination (Romania in general, and Transylvania in particular) does not manage to attract and retain its visitors at a level that would ensure visible and significant performance of this sector, resides in the poor correlation of the services' supply with the targeted tourists' demand. Of course, the most important and, likewise, useful approach is that o improving the quality of the services provided. At the same time, the appropriate development of the support and tourist infrastructures is an essential ingredient of the future of the national and Transylvanian tourism.

An important part of Romania's and Transylvania's natural and cultural heritage (perhaps some of the most valuable resources) is hosted by rural destinations but this heritage is not supported by an infrastructure able to ensure its proper exploitation, exactly these being the destinations which face some of the most severe tourist and support infrastructure problems.

Some possible explanations for the lack of interest towards the Romanian supply can be related to aspects such as: the level of the provided services, the classification level of the lodgings, the lack of interest of the hotel owners in realizing the needed investments aimed at modernizing their properties, the poor level of market penetration of the international hotel chains and groups, but also to the significant international competition that stimulates the Romanian and foreign tourists' demand for other destinations. Moreover, the large number of lodgings that function illegally has a major contribution to the occurrence of this poor performance. The distribution of the lodgings by levels of classification together with the occupancy rates reveals that the supply does not match the demand neither in Romania's case, nor in Transylvania's. Another problem of Romanian tourism is linked to the fact that the service providers struggle to survive, as the continuously decreasing occupancy rate generates a genuine crisis among them.

The research relying strictly on the processing of secondary data, does not cover aspects related to the tourists' subjectivity, and does not present the point of view of the suppliers. These limits can be compensated by thoroughly looking into this problem within some qualitative researches, such as focus groups, respectively within some quantitative ones, which will reflect both the perspectives of the Romanian and foreign tourists, and the opinion of the specific services providers.

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