

Investigating potential strategies for increasing competitiveness of tourism at the Black Sea shore

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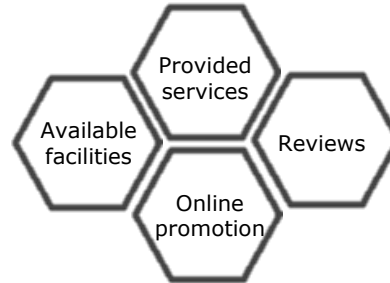
Best practice benchmarking analysis to identify strategies to improve performance of 4 stars hotels



- ▶ Economic context in the last 4 years
- ▶ Generally stagnant tariffs
- ▶ Decreasing number of tourists



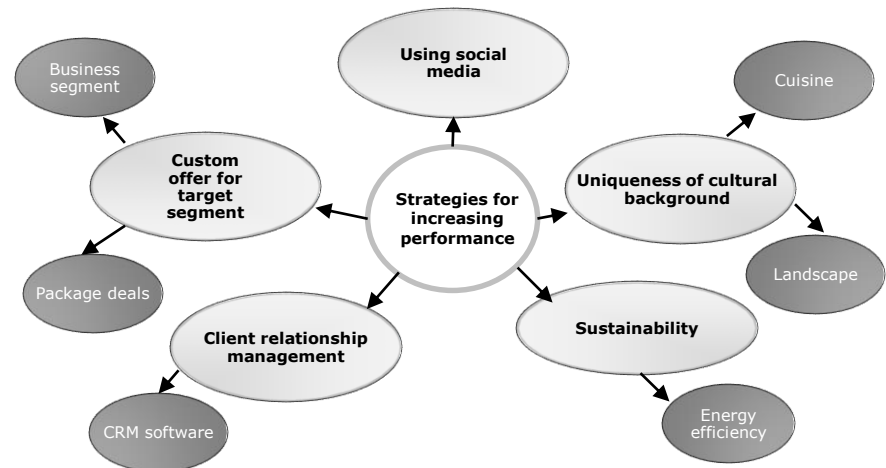
- ▶ Slow increase in cheaper accommodation capacity at the Black Sea Shore in the last 2 years



Best practice benchmarking analysis & survey



Proposed strategies for improving performance



Agenda

1	Problem statement
2	Research question
3	Methodology
4	Proposed strategies for Black Sea hotels
5	Conclusions
6	Further research

4 stars hotels are challenged to improve performance in the current market conditions

- ▶ During **2009-2011** the tourism industry at the Black Sea shore experienced a **significant downturn** in the context of the global economic crisis
- ▶ In the context of **still difficult macroeconomic conditions** and unpredictable number of tourists in the next period, a revision of the strategy is necessary
- ▶ **Guests** become more and more **sophisticated and demanding**, require more at a lower price, better and customized services
- ▶ The challenge of any hotel manager at the Black Sea shore: finding **robust, inexpensive strategies** of attracting guests and keeping in mind **investments are unlikely**

Considering the economic context and the changing demands of tourists...

..what strategies could hotel managers at the Black Sea Shore adopt to increase competitiveness and adapt to external market conditions?

Restriction imposed by the used resources limit the generality of the results

Assumptions

Benchmarking analysis

- ▶ The duration of the season has a rather limited impact on strategies used
- ▶ Hotel Managers have limited budgets to come up with strategies and measures, therefore we used mostly free resources and studies (no consultancy budget)

Survey

- ▶ Online social media users only, as the relevance of the online is increasing for tourism business in Romania also

Limitations

- ▶ Budget and time
- ▶ The information used for the benchmarking analysis was the one available on internet sources
- ▶ The survey was deployed using social media, therefore the conclusions should be considered in context
- ▶ Focus on strategy issues and not technical-tourism-specific parameters due to researchers' backgrounds

Research process design

■ Details in next slides



- ▶ Identification of strategies in tourism, methodologies used in previous studies

- ▶ Collection of statistical data regarding tourism in Romania
- ▶ Short policy analysis

- ▶ Development of a best practice benchmarking analysis to identify robust strategies that could be adopted

- ▶ Identification of preferences regarding accommodation at the seaside of social media users that visited Mamaia Resort

The objective: recognise strategies for improving performance of the four stars hotels at the Balk Sea Shore

We looked for inspiring locations and hotels

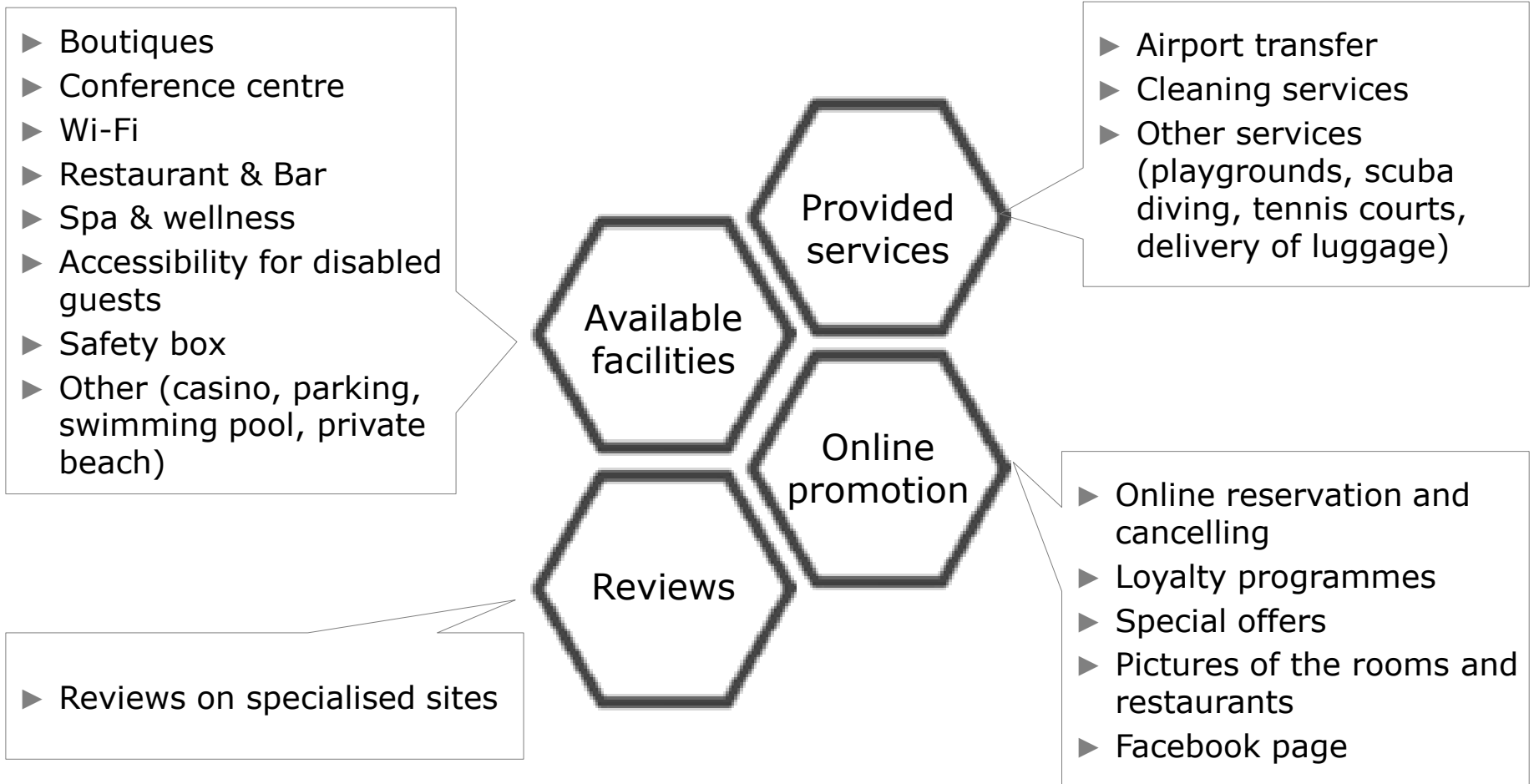


Analysis design

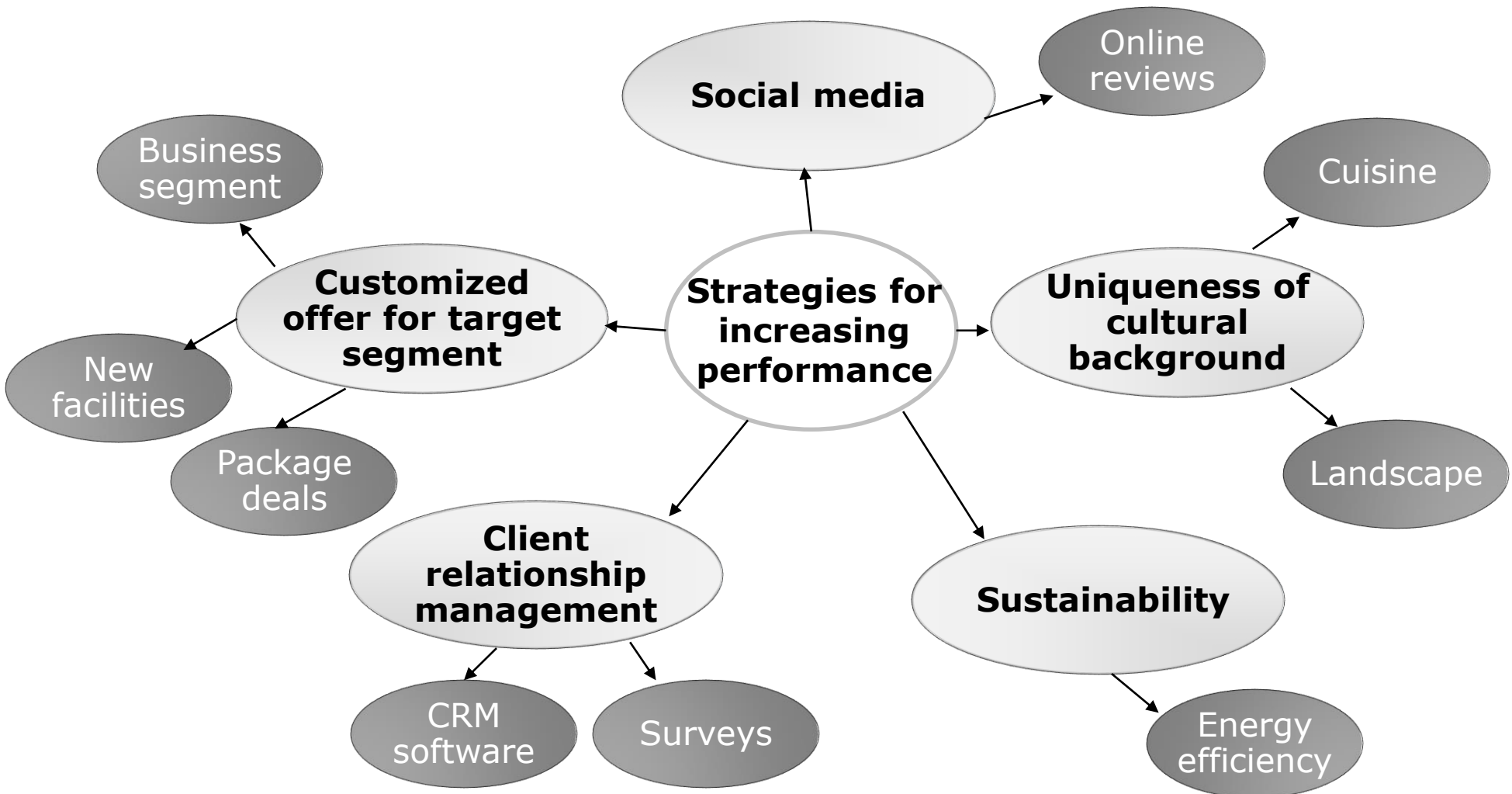
- ▶ Hotels are the most significant type of tourist accommodation at the Black Sea
 - ▶ 3 four-stars hotels were chosen in Mamaia
- ▶ 3 other hotels in each country: Turkey, Italy, Spain and France
 - ▶ 4&5 stars hotels chosen
- ▶ Different sizes and price range
- ▶ Consistent use of available internet resources to draw the hotel profile and adopted strategies

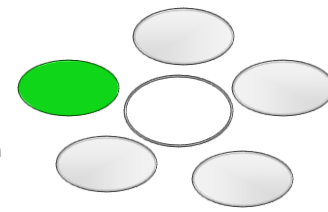
Desired result: robust strategies

The chosen criteria for the best practice benchmarking analysis of the hotels



Hotel managers should focus on identification of the guest preferences and appropriate promotion of services





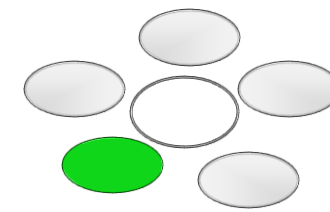
Mixing services and facilities to create custom packages for different segments

Recommended strategies for Mamaia hotels

- ▶ Adjusting the packages to the targeted segment
 - ▶ For business segment, create accommodation packages suitable and sell them with the conference facilities e.g. special discount for additional nights
 - ▶ Combine business trips with leisure activities to extend stay
- ▶ Non-traditional facilities are more likely to create the niche market effect
 - ▶ E.g. playgrounds, outdoor excursions, newspaper delivery, scuba diving, luggage delivery to hotel
 - ▶ Airport transfer is important for foreign tourists

...based on findings

- ▶ 12/15 Hotels with conference centres, from 80 to 2780 places
- ▶ 5/15 hotels create special packages for companies
- ▶ Many facilities such as Wi-Fi, air conditioning, mini bar, possibility to make coffee/ tea in room are expected by most guests
- ▶ 71% of survey respondents make the hotel choice based on the facilities



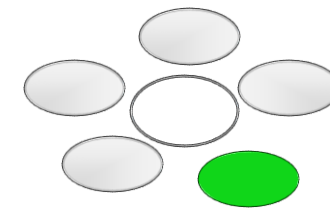
Wide range implementation of CRM software is recommended

Recommended strategies for Mamaia hotels

- ▶ Closely monitor the satisfaction of guests with adequate CRM software
 - ▶ Find more occasions to ask the opinion and preferences of guests e.g. Restaurant/ Bar/ Pool satisfaction survey
- ▶ Create loyalty programs, adapted to the customer segment
 - ▶ Loyalty card not only for accommodation facilities for returning guests
 - ▶ Loyalty programs for hotel facilities, to increase the revenue stream from non-tourists
- ▶ Transparency in booking and cancellation of reservations
 - ▶ Allow booking from various other partner sites, but allow also for cancelling and feedback related to cancelling of a reservation
 - ▶ Provide discounts when booking on the hotel website

...based on findings

- ▶ Şenturük (2012) – 91% of hotel managers in Antalia use CRM software as a tool for monitoring customer satisfaction
- ▶ Loyalty programs are more common in chains of hotels in our sample (4/15) but also available in independent hotels
- ▶ Cancelling conditions are mostly unclear process, available only after booking (2/15)
- ▶ No visible difference between specialised sites and hotel site regarding booking



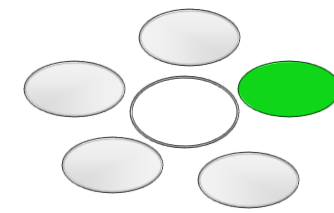
Sustainability, a strategy with untapped potential

Recommended strategies for Mamaia hotels

- ▶ A sustainability oriented perspective is not just environmentally friendly, but also cost-reducing
 - ▶ Energy efficiency is one area where many hotels can improve practices
 - ▶ Differentiate between costs under management control, and those subject to guests' activities and design cost reduction measures as appropriate
- ▶ Improve quality of services by improving the attitude of the personnel
 - ▶ Sustainability refers also to hotel's employees, therefore a programme to increase the competences and satisfactions of employees becomes a priority
 - ▶ Create personnel loyalty

...based on findings

- ▶ Surprisingly, for most hotels in the sample, sustainability seemed not to be of interest
- ▶ Only one hotel communicated its commitment to social responsibility
- ▶ The rotation of personnel is high during the season
- ▶ Attitude of the personnel is a key factor in customer satisfaction



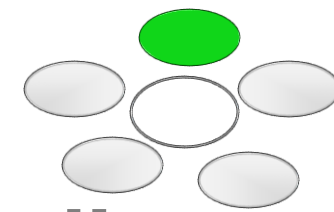
Factors outside the hotel should also be used to attract tourists

Recommended strategies for Mamaia hotels

- ▶ Integrating the uniqueness of surroundings into the value proposition of the hotel
 - ▶ Offer tourists the possibility of outdoor excursions, both on land and at sea, in the Dobrogea Area and Danube Delta
- ▶ Integrating the uniqueness of the cultural background and cuisine to the value proposition of the hotel
 - ▶ Use the restaurant facilities to offer thematic gastronomic events such as Greek or Turkish evenings with specific dances and dishes

...based on findings

- ▶ Uniqueness of the location is a strategic advantage for attracting customers
- ▶ Dobrogea area is rich in traditions, customs and various cuisines due to its diverse groups of inhabitants and history



Increasing visibility by using social media

Recommended strategies for Mamaia hotels

- ▶ All packages offered should be promoted using the appropriate social media tools, adapted to the targeted segment
 - ▶ Using Facebook, Twitter, Google +, Pinterest, TripAdvisor application, to mention the most commonly used, as low cost promoting and free feedback
 - ▶ Partnership should be considered with relevant (e.g. wedding organisers if the hotel also offers the facilities for weddings)
- ▶ Maintain a good reputation of the hotel in social media, by constantly monitoring reviews of the guest, on all specialized sites
- ▶ Advertise the hotel and facilities (restaurant, bar, spa & wellness centre) separately, as to target different segments

...based on findings

- ▶ More and more guest use the internet, especially younger people and business people: 76% of the respondents said they actively read reviews but only 28% also write, especially bad ones
- ▶ 35% of respondents use reviews in making decisions
- ▶ All the hotels analysed had very good reviews form many users

There are a lot of strategies that managers could use to promote their hotels

- ▶ The online gains importance for tourism and tourism business
 - ▶ Social media is low cost but effective promoting environment
 - ▶ New technologies, such as 360 degrees photography allow a better presentation of hotel facilities
- ▶ More and more people plan the vacations themselves, booking online
 - ▶ Increasing relevance of the reviews of hotels
- ▶ Gaining the customer loyalty and satisfaction evaluation are more important than ever in the current economic environment
 - ▶ Better customization of the offer allows better positioning on the market

Topics for further research that we find relevant

Considering:

- ▶ the importance of CRM tools in establishing and managing customer's satisfaction
- ▶ the limited use of such specialized tools in Romania



we suggest further investigation of:

- ▶ The rationale for using or not using CRM tools by Romanian hotel managers
- ▶ The most widely used CRM software
- ▶ The possibility of designing cost effective software in tourism

Thank you!

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