

Competitiveness Assessment and Growth Opportunities of the Romanian Tourism Industry

Ana Bobircă
Cristiana Cristureanu
FIBE – ASE, Bucharest

In an increasingly dynamic market, with complex consumer behavior and product attributes, the fundamental task for destination management is understanding what are the new tourism developments and trends, the new techniques and approaches required to handle them effectively, the new business models that generate major impacts for tourism and its competitive positioning strategies, as well as how tourism destination competitiveness can be sustained and enhanced. Tourism has become a fiercely competitive business for destinations the world over. Competitive advantage is no longer natural, but increasingly man-made, driven by information technology and innovation. As such, it is not simply the stock of natural resources of Romania that will determine its share in the tourism market, but rather how these resources are managed and integrated with other competences to create a competitive advantage.

The objective of this paper is to identify the elements of a new paradigm, specific to Romania, which would help it become and remain competitive within the international tourism industry. In the paper we argue that one of the best ways to do this is to identify and integrate the critical success factors that could boost competitive advantage and achieve sustainable growth over the longer term.

Keywords: *tourism industry, tourism policy, Romania, destination competitiveness, competitive advantage, Porter's diamond.*

I. Background of the study

Tourism has become a fiercely competitive business for destinations the world over. Competitive advantage is no longer natural, but increasingly man-made, driven by science, technology information and innovation. As such, it is not simply the stock of natural resources of Romania that will determine its share on the tourism market, but rather how these resources are managed and integrated with other competences to create a competitive advantage.

To ensure that the benefits from increasing globalization and integration are shared, countries need to make certain that they have the necessary level of

competitiveness. As the WTTC recently stated, “maintaining competitiveness has become an increasing challenge for destinations” (WTTC 2001).

In the tourism sector, traditional models fail to give responses to questions such as: why countries that are characterized by an abundance of natural tourism attractions like sea, sun and beach, as well as cultural resources are losing competitiveness? Or, why many destinations in developing countries, characterized by an abundance of resources and cost advantages, are not able to create wealth and prosperity in tourism? The failure to provide responses to these questions advocates the need to set out a new competitive framework for tourism management. The implications of this new conceptualization regard structures, approaches, competitive resources and strategic actions.

The constantly growing number of travel destinations and the enhanced quality of existing ones are putting great pressure on those responsible for a given destination to find better ways to compete in the tourism marketplace and to do so in a sustainable manner. The first step in achieving this goal is to better understand those forces and success factors that determine the competitiveness of major tourism destinations. Success factors of a specific destination can then be identified and integrated to ensure sustainable growth for the destination within a competitive environment.

The competitiveness of Romania as a tourism destination has been insufficiently analyzed and the limited results have not been used so far for the design of an efficient economic tourism policy. Therefore, Romanian tourism can be considered potentially stronger in non-produced attractiveness than in its management's capability to add value.

The aim of this paper is to present an analysis on the competitiveness of Romania as a tourist destination. The article is constructed as follows: first, an overview of the tourism industry in Romania is presented; second, the theoretical background of destination competitiveness is examined, together with the methodological framework for its assessment. In the third part, empirical results of Romania's tourism competitiveness analysis are revealed and article concludes with a review of the Romanian tourism potential.

II. Overview of the Romanian tourism industry

Development of the tourism industry in Romania was initially based on a large domestic demand, on an influx of incoming tourists from the former Soviet bloc countries and on a small number of budget tourists from Western Europe.

Following the turning point of 1989, the Romanian tourism sector experienced a severe decline, due to a dramatic drop in the purchasing power of tourists from the socialist countries, the lifting of restrictions on travel outside the eastern bloc and a para-

doxical rise and continuous growth in the outbound demand. Suddenly, Romania was forced to compete with tourism destinations outside the Eastern bloc and it quickly became a net importer of tourism services.

After years of declining visitor numbers and under-investment in development and modernization, Romania's Travel & Tourism industry is slowly regaining profile and pace. As Romania's accession to the European Union (EU) became certain and as it advances in its way to develop the infrastructure and improve its governance and legal systems, the Travel & Tourism sector is supposed to play an ever increasing role, particularly in creating sustainable jobs for the country's important rural population. If managed effectively, Travel & Tourism can be an important catalyst for the development of other economic sectors in Romania, such as manufacturing, construction and other services. It can also help to preserve the country's primary assets, namely its natural and cultural environment.

Travel & Tourism industry is already an important contributor to Romanian's GDP and employment. By the end of 2006, the wider Travel & Tourism Economy is expected to contribute by 4.8 per cent to the country's GDP and should account for 485,000 jobs, representing 5.8 per cent of total employment (WTTC 2006). Furthermore, over the next ten years, Travel & Tourism in Romania is forecasted to achieve an annualized real growth rate of 6.7 per cent, taking the GDP's share of Travel & Tourism to 5.8 per cent in 2016. There is also a positive outlook for Visitor Exports, which are forecasted to grow at 8.5 per cent per year, over the next ten years, ranking Romania the fourth in the world.

Statistical Data on Romanian International Tourism

In 2005, Romania received 5,839,374 foreign visitors, distributed as follows (National Institute of Statistics 2006): 26.07% from Hungary, 24.58% from the Republic of Moldova, 6.67% from Bulgaria, 6.06% from Germany, 5.62% from Ukraine, 4.64% from Italy, 3.44% from Turkey, 2.53% from Serbia and Montenegro, 2.21% from Austria and 2.05% from the US. France ranks the 11th, with only 1.88% of arrivals, Spain the 21st (0.5%), Switzerland the 26th (0.28%). The share of the Asian countries is insignificant.

For the same year, international tourist arrivals in all accommodation facilities were of only 1,429,911, representing 24.63% of total arrivals (National Institute of Statistics 2006), out of which 81.99% from European countries, 8.44% from Asia and 7.66% from North America.

Data on international tourist arrivals by market share offer a different structure by country of origin (WTTC 2006): Italy is on the top with 13.62%, followed very close by Germany (13.41%), then by France (8.04%), Hungary (6.31%), United Kingdom

(5.78%), Israel (5.09%), Austria (3.73%), Netherlands (2.93%), Spain (2.89%) and Turkey (2.23%).

International tourist arrivals in all accommodation facilities have been steadily increasing for several years: 5.22% more foreign tourists in 2005 in comparison with 2004 and 56.28% more in comparison with 2001. Hotels received 89.44% of the total international tourist arrivals, followed by urban guest-houses (3.27%), motels (1.55%), villas (1.54%) and rural guest-houses (1.23%).

It is encouraging that, after eleven years of negative tourism balance, with a diminishing deficit trend after 2001 (-97 million Euro in 2001, -74 million Euro in 2002, -27 million Euro in 2003, -28 million Euro in 2004), the tourism balance became slightly positive in 2005 (Romanian National Bank 2006).

Romania benefits from a quite extensive hospitality network. The accommodation sector is now all but fully privatized, with 3,873 accommodation units in 2005, representing a growth of 11.29% compared to 2004. The total number of hotels was 969 in 2005, out of which: 8 were five-star hotels, 67, four-star hotels, 260, three-star hotels, 446, two-star hotels and 188 – one-star hotels. 65.43% of the hotel stock is at the lower-end of the market, meaning one- and two-stars hotels.

For a total of 161,223 beds in 2005, the distribution of tourist arrivals by location was: Bucharest and other cities – 71.3%, other urban accommodation – 10.5%, mountain resorts – 7.9%, Seaside – 6.2%, Spas – 2.5%, Danube Delta, including the town of Tulcea – 1.6%. The general occupancy rate was 33.4% in 2005 and the hotel occupancy rate was 41.10%, the seasonality being still an important issue for Romania.

III. Nature and framework of destination competitiveness

Perspectives on Competitiveness

The literature reveals various approaches in defining, understanding and measuring competitiveness. Perspectives in various disciplines reveal that competitiveness is a multi-faceted concept. Dwyer (2001: 44) regards the notion of competitiveness as associated with four major groups of thought. These are:

- a comparative advantage and/or price competitiveness perspective;
- a broad scheme and empirical studies;
- a strategy and management perspective;
- a historical and socio-cultural perspective.

While economists have placed emphasis on price and the country-specific economic characteristics of competitiveness, the management and strategy authors have focused on the firm-specific characteristics, while the focus of sociologists and political theorists has been on various social, political and cultural characteristics underlying the notion of competitiveness. Moreover, each group has suggested different indicators to explain or measure competitiveness (Dwyer 2001: 45).

The definitions offered in the literature provide both a micro and a macro connotation for the term competitiveness.

From a macro perspective, competitiveness is a national concern and its ultimate goal is to improve the real income of its citizens. It is a very broad construct, encompassing all social, cultural and economic variables affecting the performance of a nation in international markets (Dwyer 2001: 45 and Yoon 2002: 32).

On the other hand, from a micro perspective it is seen as an organization level phenomenon; organization-specific behaviors determine competitiveness. To be competitive, any organization must provide products and services for which customers or clients are willing to pay a fair return or price. In the long run and in a free enterprise system, competitiveness is measured by the ability of the organization to stay in business and to protect the organization's investments, to earn a return on those investments, and to ensure jobs for the future (Porter 1980: 113 and Dwyer 2001:45).

Comparative and Competitive Advantages in Tourism

The discussion of competitiveness in the general literature has tended to stress competitive advantage (resulting from value-added activities by firms and organizations), while de-emphasizing comparative advantage as a source of international competitiveness (Dwyer 2001: 48). For a tourism destination, comparative advantage would relate to inherited or endowed sources such as climate, scenery, flora and fauna, while competitive advantage would relate to a destination's ability to use these resources over the long-term such as quality of management, skills of workers, service levels, and government policy (Crouch & Ritchie 1999: 142). The importance of these two pillars of international destination competitiveness will be shortly discussed.

a) Comparative advantages

Comparative advantages concern a destination's factor endowments, both naturally occurring as well as created. They are close to primary tourism supply (natural, cultural and social attractiveness) and can never be reproduced with the same attractiveness. Porter (1990: 20), Crouch and Ritchie, (1999: 42), and Hill (2000: 130) identify five broad categories of endowments: human resources, physical resources, knowledge resources, capital resources and infrastructure. In a tourism context, it seems appropriate to add historical and cultural resources as an additional resource strategy and to expand

the infrastructure category to include tourism superstructure (Crouch & Ritchie 1999: 142). Crouch and Ritchie (1999: 143) argue that a country's natural resources are an important source of comparative advantage in tourism.

b) Competitive advantages

Where comparative advantages constitute resources available to a destination, competitive advantages relate to a destination's ability to use these resources effectively over the long-term (Hamel and Prahalad 1993: 56; Thompson 1997: 23 and Crouch & Ritchie 1999: 143).

Competitive factors refer to secondary tourism supply. They can be produced and improved by tourist firms or government policy. A destination endowed with a wealth of resources may not be as competitive as a destination lacking in resources, because the latter might be utilizing the little it has much more effectively.

A destination that has a tourism vision, shares this vision among all stakeholders, understands both its strengths and weaknesses, develops a positioning strategy and implements it successfully may be more competitive because of its effective strategic approach. The most important is the ability of the tourism sector to add value to its products. The primary attractiveness can be a source for higher value added, but the value is only created through performing activities. It can happen that the comparative advantage is lost due to the un-competitive secondary tourism supply. The support of tourism stakeholders is essential for successful development and sustainability of tourism and could help to improve destination competitiveness. As a result, the tourism destination will receive many benefits from enhanced tourism destination competitiveness.

The competitiveness of tourism destinations is also determined by the ability of tourism companies to increase productivity (Keller 1995). A below average rate of productivity leaves companies little room for maneuver on prices when faced with international competition. It also makes them less competitive in the domestic factor markets. Productivity of tourism therefore, on national level as a contributor to growth, as well as on branch/industry level as driver of competitiveness is of imminent consequences on destination competitiveness. The labor-intensive services of the tourism sector suffer from cost sickness. They are less productive than other services and they have to compensate for productivity shortcomings by higher prices. Productivity differentials or limitations of productivity progress between destinations that are at different stages of development explain why countries with low wage levels are cheaper than those where wages are high. Productivity in tourism services depend very much on the average occupation rates and therefore on the ability to control the flow of travelers. Controlling the flow is increasingly a question of industrial techniques: standardization of the basic supply of products and services can lead to new ways to improve productivity.

Assessing destination competitiveness – the methodological framework

The most detailed work undertaken by tourism researchers on overall tourism competitiveness is that by Crouch and Ritchie, who claim that in absolute terms the most competitive destination is the one that brings about the greatest success, that is, the most well-being for its residents, on a sustainable basis. Crouch and Ritchie (2000) state that competitiveness is illusory without sustainability. Thus, the most competitive destination is the one that most effectively creates sustainable well-being for its residents. This view is supported by Hassen (2000: 113), who defines destination competitiveness as “the destination’s ability to create and integrate value added products that sustain its resources, while maintaining market position relative to its competitors”.

The systematic model of destination competitiveness proposed by Crouch and Ritchie (1999) points out that it is necessary to investigate and understand the relationships of interplay among the determinants of competitiveness. Furthermore, it has been suggested that a systematic analysis of the comparative and competitive advantages contributing to destination competitiveness is done.

The national competitiveness model and its four determinants, proposed by Porter (1990), can be used as a fundamental source for explaining the determinants of destination competitiveness (Ritchie & Crouch 1993). These determinants are factor conditions (e.g. skilled labor, infrastructures), demand conditions (e.g. basic tourism services), related and supporting industries, and firm strategy, structure and competition.

Porter’s (1990) national “diamond” addresses competition in terms of the determinants of national advantage, in particular industries or industry segments. Whereas the five forces model could be applied at the level of the organization in the tourism industry, the national diamond model suggests the fundamental structure of competition among national tourism industries; that is, the nation as a tourist destination. According to various authors, for example, Crouch and Ritchie (1999: 141) and Grant (1995: 340), Porter’s diamond model is the best model for evaluating competitive advantage at a national level and will, therefore, be used in this paper.

Fabricius (2001: 30) applied Porter’s diamond to a tourism destination. He argues that various important qualities of the tourism industry need to be considered when applying Porter’s diamond to tourism destinations and these are:

- the primary tourism product is an experience rather than a tangible product or service. Tourists travel to destinations to enjoy experiences and is, therefore, highly driven by the discretion, tastes and attitudes of the consumers;
- the product cannot be delivered to the market; rather, the market is confronted with a “virtual” proposal, often in the form of pictures, descriptions and perceptions based on media exposure and personal interactions;

▪ the tourism experience is not delivered to the consumer as a finished product; the consumer purchases various components of the experience, which are delivered at the destination as the experience unfolds. The comparative advantages of tourism are therefore mainly located in its factor conditions, i.e. its inherent attractiveness to specific market segments.

The components of Porter's Diamond will now be used to analyze and discuss the international competitiveness of Romania as a tourism destination.

IV. Diamond analysis of Romania as a tourism destination. Results of the empirical analysis

We are presenting below the results and interpretation of an analysis of the potential comparative and competitive advantage that Romanian tourism may have using Michael Porter's Diamond Analysis Model. As mentioned before, comparative advantage focuses on inherited factors of production, such as cheap labor or energy or natural resources, whereas competitive advantage is created through interlinked factors, which are often costly and difficult for other countries to duplicate.

The elements considered were:

- for factor conditions: geography, diverse tourist products, cheap labor, worn-out infrastructure, low number of training institutions for highly-skilled personnel, positive cultural attitude towards tourism;
- for demand conditions: large population, low purchasing power of domestic demand, falling demand for seaside resorts, increasing sophistication of domestic demand;
- for related and supporting industries: weak, but developing, distribution and promotion networks, low degree of coordination and clustering, IT industry support;
- for strategy, structure and competition: late privatization, low degree of competition outside major cities, focus either on the low-end or on the high end of the market, weak but improving promotion by the government, weak management and marketing skills.

Competitiveness Assessment

Romania's tourism market could have the potential to become competitive; however, large improvements in many parts of the industry are required in order to accomplish this.

Currently, Romania is not competitive in marketing tourism: it does not have enough skilled professionals with experience in marketing to a more educated tourism audience. Tourism management is also weak, both at a central level and at an industry level. Many of the persons operating SMEs in the tourism sector have little or no tourism experience; they also lack skills in management practices. The availability of personnel willing to work for low wages means there is not much pressure to increase operational efficiency. Additionally, access to market information by Romanian tour operators is hampered by the low computer usage rate and weak internet usage in the industry.

The low use of technology is another factor that makes Romanian tourism less competitive. Outside of the capital, computer usage and access to the internet is patchy. Without a more reliable and sophisticated group of tour operators and small hotel owners with access to computers and the internet, the ability to take advantage of growth in online reservations and promotions will not be captured.

Financing is generally considered inadequate in the sector. Many SMEs are unable to get financing to refurbish their accommodations and make other capital improvements. High collateral demands are often one of the barriers to receipt of such financing.

While linkages and networks are becoming stronger, they are still relatively weak compared to countries like Hungary and the Czech Republic. Many foreign tour operators are simply unaware of the Romanian market. The Romanian government has not invested adequately to insure that Romanian products are promoted. For example, in 2004, the Romanian government tourist promotion budget was US\$20 million. While this is high for Romanian standards, compared with government promotion budgets in Turkey of US\$75 million and in Greece of US\$150 million it is insufficient.

Foreign tour operators, who control a large part of the flow of tourists are either unaware of Romania or have a poor opinion of the country. Image problems cut into Romania's competitiveness. Even if tour operators and tourists are aware of Romania, they may only associate it with Dracula/Transylvania. Most tour operators are unfamiliar with Romania, or they consider that Romania is a destination only for very budget conscious tourists. Currently, the international perception of Romania as a tourist destination is low.

V. Opportunities for growth

Product Development Strategy

The tourism industry has recognized the need to innovate in order to develop. The conversion of traditional Romanian tourism products (mass tourism – sun & sand and skiing) into more sophisticated products (spa, MICE, cultural and heritage tourism, urban tourism, countryside, wine and culinary tourism, eco-, geo- and active tourism) and, at the same time, the improvement of the actual infrastructure base should be the two axes of the tourism industry product strategy. The new or improved tourism products could be designed by developing the traditional ones, such as:

Spa tourism, that is one of the most important products of specialized tourism in Romania, based on niche markets and oriented to senior high-income consumers. Currently, there are over 70 health resorts in Romania. The main reasons for the development of such products are: the demand of an ageing European population, the opportunity to increase the average length of stay of tourists as well as tourism receipts.

Romania, already an EU member, with many conference and business centers, with modern accommodation facilities in Bucharest as well as other towns, has a growing potential to develop the meetings, incentives, conferences and exhibitions (MICE) sector. Conference facilities are available, albeit in short supply, as there are only 48 such facilities around the entire country. According to the Romanian Convention Bureau (RCB), some 900 conferences and events are held each year in the capital, MICE representing another important form of specialized tourism.

Often internationally labeled “agrotourism”, rural tourism is present in many regions of Romania but its major concentration is in the mountainous regions, the Black Sea coast and the Danube Delta. At present, there are 4,000 tourist boarding houses throughout Romania, mainly for the domestic demand. The value of the rural tourism products could be enhanced with gastronomic, wine, handicrafts attractions. The initiative requires partnership and industrial links in each main region, in order to develop and promote each destination and community and co-operation among stakeholders on a chain of projects with shared information (cluster relationships).

Cultural tourism is centered on four main locations: the painted monasteries of the Bucovina region, the castles, fortresses and churches in the Maramures region and in Transylvania, the art galleries and historical and contemporary sites in cities such as Bucharest, Brasov, Constanta, Sibiu, the latter having a special significance, being the European Capital of Culture 2007.

Eco-, geo- and adventure tourism is specific for the mountains, hills, along the Danube River and in the Danube Delta.

Realizing the Potential

By strategically targeting the key products, which have potential for export, the tourism industry could realize its potential. Some of the key target markets for these products are first: Italy, Germany and France, and second: the U.K. and the United States. Currently, the market share of Italian tourists is of 13.6%, followed by Germany with 13.4%.

The first tier markets are already importing tourism from Romania. All of these countries have the ability to send considerable numbers of tourists with the buying power to purchase accommodations and vacation packages classified as 3 stars and above. With adequate promotion, interest from the second tier markets is expected to grow, especially based on business interests and language affinities.

Romania has significant tourism potential, which should be put to better use by stimulating investment in the sector (including FDI), upgrading its facilities and addressing higher-income segments. Romania should continue to develop its private tourism sector (including rural tourism) and should try to widen the breadth of its international markets, while increasing its share on its traditional markets and potentially large new markets such as Germany, Great Britain, the Scandinavian countries, France, and Italy. Also, efforts should be made to promote products that will reduce the dependence of the tourism sector on the summer season, especially through the promotion of conference tourism and more sophisticated all-inclusive packages.

The Romanian Tourism Strategy

In order to achieve its goals, the National Tourism Authority recognizes, for the promotion of Romania as a tourism destination, the role of improvements in the quality of tourism infrastructure and services and in the tourism educational system, the importance of research and development, of communication and IT systems, of international co-operation, of monitoring the tourism competitiveness and price/quality ratio, of sustaining a cluster-based development strategy and of promoting sustainable development.

An important part of the strategy is the development of the infrastructure. Although basic Travel & Tourism infrastructure in Romania is adequate, Romanian being crossed by three pan-European corridors, significant amount of modernization and upgrading is necessary to sustain growth and allow Romania to compete at global level. As the vast majority of Romania's visitors arrive by road, considerable funds have been allocated for the upgrading of the country's highways, including EU structural funds. In order to facilitate and increase visitor arrivals, the liberalization of the aviation sector will be pursued. The low-cost carriers have impelled the inbound tourism, but a negative impact on the tourism balance is that the outbound tourism has been spurred as well. Romania also benefits from extensive accommodation facilities, but there is a need for the

standardization of the sector. As the MICE tourism has a great potential for growth, the promotion of this market has become one of the priorities of Romanian tourism.

As regards the strategy of sustainable development, the main directions followed by Romania were established by UN's Agenda 21. The Rio Declaration on Environment and Development, the Statement of Principles for the Sustainable Management of Forests and the Declaration of Quebec from 2002 were also in the attention of Romanian authorities on this purpose. As a member of EU, Romania will also become part of NATURA 2000, the EU network of protected areas and the principal instrument of ecological protection in the EU countries. Also, Romania ratified the Kyoto Protocol in 2001 and, in September 2005, Romania has become the 3rd country in the world to sign a Geo-Tourism Charter with National Geographic.

For the most part, widespread Internet usage has remained limited in the tourism sector. However, since 1998, an Internet-based reservation system has been in place, to serve the best hotels in the top sea and mountain locations. Romania has been included in the European Tourism Portal, which contributes to the increase of its international awareness as a tourism destination. The National Tourism Authority has also been improving its own online presence. Development of high-tech networks in the rural areas and the training of rural agents is a problem that can be tackled only in the long run. The leading international providers of electronic global distribution services have entered the Romanian market. In the period 2003-2005, the total number of e-bookings increased by 12% yearly in Romania.

Human resources play a crucial role in the quality of tourism services. In Romania, Travel & Tourism accounts for 5.8 per cent of the country's workforce. This amounts to some 485,000 jobs. Even if the sector becomes more sophisticated, growth of the T & T Industry in Romania will generate the creation of many lower-skilled jobs. There is still a need for improvement of the tourism educational system, in order to develop management and marketing skills of employers and employees. However, Travel & Tourism in Romania is seen as 'last resort' when it comes to a career choice, situation which reflects the low levels of motivation offered by the industry. There is a stringent need to develop the motivation system both in the private sector and in the government one, in order to attract highly-skilled professionals.

VI. Instead of conclusion

Looking forward

Opportunity	Method
1. Competitive Positioning	Examine destinations within Romania that incorporate its most engaging products and match these to markets, human resources, capacity limitations and investment requirements. Develop a strategy to brand an authentic “Old Europe” experience for some Romanian destinations. Expand services to meet higher value consumers.
2. Customer Focus	Develop better understanding of market trends and current and potential customers’ requirements and develop a comprehensive strategy and common cluster actions for attracting them. Ensure that the necessary supporting factors are in place to support marketing to niche markets.
3. Innovation	Offer a greater mix of products including those that speak to particular niche market groups. Study market trends and employ cultural, historic and natural resources to access new market groups. Enhance the marketing of Bucharest and other big cities as a vacation gateway and business destinations. Develop themed packages based on cultural activities and regional tour routes.
4. Human Capital Investment	Work with training institutions to incorporate more updated and diverse curriculum offerings, especially in the area of hospitality training. Upgrade management training programs to modernize skills. Assist in the penetration of IT training and usage.
5. Cluster Co-operation	Stimulate greater inter-cluster cooperation, not only with supporting industries but also among direct partners, such as tour operators, trainers, etc. Stimulate regional cooperation among neighboring countries. Cultivate common interests among competitors.
6. Forward Integration	Work more closely with business partners and clients to clearly identify and effectively respond to their requirements. Provide new services based on customer requirements.
7. Strategies and Attitudes	Expand cluster advertising efforts for the entire industry. Take responsibility for the development of strategies and the search for investment opportunities. Focus on provision of higher end/value products and services.

In this paper, we analyzed the competitiveness of Romania as a tourist destination. Following the reference literature, we established four main groups of variables. On the basis of obtained empirical results, we revealed areas where improvements should be made to Romania as a tourist destination. The presented research represents only one single step in the analysis of the competitiveness of Romania as a tourist destination. We have listed some of the main dimensions and indicators only. There is a need to explore in more detail the importance of different attributes of destination competitiveness, in order to improve and maintain Romania's competitive position as a tourism destination on the international market.

References:

- Crouch, G.I. and Ritchie, J.R.B. (1999). *Tourism, competitiveness and societal prosperity*. Journal of Business Research, 44, 137-152;
- Crouch, G.I. and Ritchie, J.R.B. (2000). *The competitive destination: A sustainable perspective*. Tourism Management, 21(1), 1-7;
- Davidson, R. and Maitland, R. (1997). *Tourism destinations*, London: Hodder & Stoughton.
- Dwyer, L. (2001). *Destination competitiveness: Development of a model with application to Australia and the Republic of Korea* (Unpublished Report). Sydney: University of Western Sydney;
- Evans, M.R. Fox, J.B. and Johnson, R.B. (1995). *Identifying competitive strategies for successful tourism destination development*. Journal of Hospitality and Leisure Marketing, 3(1), 37-45;
- Fabricius, M.P. (2001). *Competitive strategies for tourism destinations*, unpublished MBL Research Report. University of South Africa, Pretoria;
- Gartner, W.C. (1996). *Tourism development: Principles, processes and policies*. New York: Van Nostrand Reinhold;
- Grönroos, C. (1995). *Relationship marketing: The strategic continuum*. Journal of the Academy of Marketing Science, 23, 252-254;
- Grant, R.M. (1995). *Contemporary strategy analysis: Concepts, techniques, applications* (2nd ed.). Boston, MA: Blackwell Publishers;
- Hamel, G. and Prahalad, C.K. (1993). *Strategy as stretch and leverage*. Harvard Business Review, 71, 75-85;

Harrison, D. (1992). *Tourism and the less developed countries*. London: Taylor & Francis;

Hassen, S.S. (2000). *Determinants of market competitiveness in an environmentally sustainable tourism industry*. Journal of Travel Research, 38(3), 239-245;

Hill, C.W.L. (2000). *International business*. New York: McGraw-Hill;

Inskeep, E. (1991). *Tourism planning: An integrated and sustainable development approach*. New York: Van Nostrand Reinhold;

Keller, P. (1995), *Le tourisme dans les économies des pays européens : des perspectives de croissance durable*, Espaces n°133 , Editions ESPACES

Medlik, S. and Middleton, V.T.C. (1973). *Product formulation in tourism*. Tourism and Marketing, 13, 173-201;

Mihalic, T. (2000). *Environmental management of a tourist destination. A factor of tourism competitiveness*, Tourism Management, 21(1), 65-78;

Poon, A. (1993). *Tourism, technology and competitive strategies*. Trowbridge: Redwood Books;

Porter, M.E. (1980). *Competitive strategy: Techniques for analyzing industries and competitors*. New York: Free Press;

Porter, M.E. (1985). *Competitive advantage*. New York: MacMillan;

Porter, M.E. (1987). *The state of strategic thinking*. Economist, 23 May, 21;

Porter, M.E. (1990). *The competitive advantage of nations*. London: MacMillan;

Porter, M.E. (1995). *Towards a dynamic theory of strategy*. Strategic Management Journal, 99, 95-117;

Ritchie, J.R.B. (1993). *Crafting a destination vision*. Tourism Management, 14(5), 379-389;

Ritchie, J.R.B. (1999). *Drafting a value-driven vision for a national tourism treasure*. Tourism Management, 20, 273-282;

Ritchie, J.R.B. and Crouch, G.I. (2000). *The competitiveness destination: A sustainability perspective*. Tourism Management, 21, 1-7;

Ritchie, J.R.B., Crouch, G.I. and Hudson, S. (2000). *Assessing the role of consumers in the measurement of destination competitiveness as sustainability*. Tourism Analysis, 5, 69-76;

Thompson, J.L. (1997). *Strategic management: Awareness and change* (3rd ed.). London: Thompson International Business Press;

Trout, J. (1996). *The new positioning: The latest on the world's no. 1 strategy*. New York: McGraw-Hill;

World Travel and Tourism Council. (2001). *Competitiveness monitor*. London: WTTC.

World Travel and Tourism Council. (2006). *Romania: The Impact of Travel and Tourism on Jobs and the Economy*. London: WTTC.

Yoon, Y. (2002). *Development of a structural model for tourism destination competitiveness from a stakeholders' perspective*. PhD Dissertation, Virginia Polytechnic Institute and State University, Virginia