

Achieving Excellence through Memorable Traveler Experience and Challenges, Opportunities and Solutions for Romanian Travel and Hospitality Industry

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Abstract. Hospitality industry is probably the fastest growing one in the world. The tourism company should endeavour to shape the overall perception of value in this industry. What matters is the provision of experiences, but not services. To meet international standards the Romanian tourism should consider challenges, opportunities and solutions to cope with the specific requirements in this field.

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Introduction

The hospitality industry is probably the world's fastest-growing, employment-generating profession, employing one in ten people worldwide. It is estimated that the industry will require 30 000-35 000 trained people at managerial and supervisory levels every year till 2010 to fulfill its potential. At present, compared to the demand for skilled professionals, there are relatively few students undertaking college and university courses in hospitality.

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Driven by today's new business environment that includes advanced telecommunications, accelerated business globalization, increased automation, and rapid technology innovation, emphasis on the tourism industry – as part of the service sector - has shifted from a traditional labor-based business to sources of innovation, collaboration, and value cocreation. It is obviously a trend that leading and competitive tourism services are all remarkably delineated with information-driven, tourist-centric, e-oriented, and satisfaction-focused characteristics. Many companies from the tourism industry change themselves into service-value networks. It is well understood that the quality of their provided tourism services largely depends on very large-scale public information infrastructures and complex service systems in order to satisfy the diverse needs of worldwide customers.

It is obvious that marketers in the hospitality industry have to face interesting challenges to offer great tourist experience and develop long-term relationships with the tourists. Quality is not an automatic guarantee of success; it's a necessary but insufficient condition of customer retention and loyalty. Value is critical to maintaining long-term relationships because it includes the concept of quality but is broader in scope. As a guiding principle of marketing strategy, value is useful because it includes the concept of quality but is broader in scope. Value represents a customer's subjective evaluation of benefits that determine the worth of a firm's product/service supply relative to other product/service offers. The tourism product is an experience, delivered through service interaction. Consumers are always present.

Good value depends on a holistic assessment of the quality of the core product, supplemental products, and experience attributes. The overall perception of value is driven by tourist needs, expectations, and the sacrifices required in obtaining the benefits provided by each tourism company. Taking into consideration all these factors, firms that act in the hospitality industry can enhance value by increasing core, supplemental or experiential quality and/ or reducing monetary or non-monetary costs. Also, this effort has to be based on a thorough understanding of tourists' needs and wants, as well as an appreciation of how the tourism firm's customers define value.

Traveler experience is much more than a service

Tourist experience encompasses all aspects of the end-user's interaction with the tourism company, its services, and its products. Interactions refer to multiple channels, touchpoints, etc. A good tourist experience can assure the following

advantages to the company: increased sales, increased tourist satisfaction, product/service differentiation, valuable competitive advantage, improved brand perception, increased market share.

Tourists will choose from the multitude of deals present on the tourism market the one that maximizes the value in relation with the costs involved in searching the products, and with the limited mobility, knowledge and income they possess. As a consequence, customers will appreciate whether the deal reaches the expected value level, which will influence the satisfaction and the probability to buy in the future.

In order to differentiate among themselves, many companies from the hospitality industry are moving beyond services into experiences. Thus Pizza Hut offers more than a meal; it will host your child's birthday party, complete with a candle-lit cake and amusements. Walt Disney with their Disney Parks is the recognized expert in providing experiences. The workers are called "actors", you, the visitors, are the "guests" and the theme park becomes the "stage".

Specialists believe that experiences are a distinct supply than services. Companies in the hospitality industry have to understand that the tourist should be placed at the centre of all specific marketing operations. The brand message should reflect the focus the tourist. The products' and services' quality should be placed at the core of the organizations' commercial strategy. The provided products and services must represent exactly the solutions that tourists expect. The touchpoints with the tourists must be well mastered in order to convince them to accept the proposed solutions. Companies must be capable to look beyond tourist behaviour or product and service acquisition.

For example, the former British Airways chairman stated: "What British Airways does is to go beyond the function and compete on the basis of providing an experience." The aircraft and the flight are the stage, the setting, for a distinctive *en route* experience.

The two most important things for delivering the best tourist experience are: a great product that emotionally connects with the tourists and fulfills a basic need or desire; and a deep understanding of the traveler, an understanding that allows the firm to anticipate what they need better and sooner than they know themselves.

The following key initiatives are also necessary for improving traveler experience: 1) *Act on feedback*: Companies that fail to respond to customer feedback are throwing away the chance to increase the number of satisfied and loyal customers. Changes need to be deployed throughout the company and

communicated to employees and customers; 2) *Design processes from the outside*: Organizations need to identify which processes matter most to tourists rather than designing them with the objective of improving operational efficiencies. 3) *Act as one organization to ensure consistency*: Companies need to ensure that information received from a tourist in one interaction is not forgotten in the next channel. 4) *Be open*: Opening channels or extending hours are one way, but it can mean more, like building communities. Organizations should be transparent and clear, open-minded and inclusive. 5) *Personalize products and experiences*: Personalization can be complex, and complexity may mean costs for the company. Companies need to beware of just evaluating the costs of personalization against the sales benefits and to factor in the longer-term value of improving the customer experience when building a business case. 6) *Alter attitudes and company behaviour*: Employees' actions are often the most powerful actions in a customer experience. There are three ways to alter employee behavior: recruit the right employees; ensure standards with policies, procedures and governance structures; and create training programs that incent and can modify employees' behavior. 7) *Design the complete tourist experience*: Organizations need to plan and design the customer experience, rather than letting it "just happen".

The best marketing strategy for a company in the hospitality industry must identify: *who* the company wants to target, *what* problem it solves, *how* the company solves it, *why* it is the best to solve it, and *when* the company can provide the solution to the potential tourist. The most important changes and trends that affect tourism marketing strategy planning refer to: communication technology; role of computerization; marketing research; demographic patterns; business and organizational customers; product area; channels and logistics; sales promotion; personal selling; mass selling; pricing; international marketing. Thus, marketing managers in the hospitality industry have to think how to prepare the firm to adapt its products, prices, marketing methods, or overall customer experience in order to make the most of these opportunities and reach service excellence.

Customer as the most important source of competitive advantage in the hospitality industry

In 2004, the American Marketing Association unveiled a *new definition of marketing*: "marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its

stakeholders". It is well known that the strategies built on consumers' feedback have more chances of success than the ones based on managerial intuition. It's a real challenge to any marketer to find out why the customer chooses a service or another. Only balancing a series of factors such as needs, brand image, price, product or service availability and experiences in a comprehensive evaluation process, determines consumer's decision to request a specific product or service.

Customer-perceived value in tourism is about managing the travel experience for the customers. To increase the quality of the traveler experience, companies have to: eliminate low experience values, reduce exposure time on low value experiences, combine low value experiences with high or moderate sequences, provide add-ons at no charge for low value experiences, and increase high and moderate value experiences.

And the main benefits and implications of high quality traveler experience are: revenue enhancements - only for high value experiences, cost reductions - using technology and self-service components, value-added-partnerships, and value-measuring-system.

Where should companies in the hospitality industry begin to look to gain a competitive advantage? They should start with customers - particularly underserved or poorly served ones. Though we all know that customers want companies to anticipate their needs, doing so is particularly important for tourism firms and service firms in general.

Tourism companies that spend time and money on understanding potential tourists' preferences and developing specific services for niche customers will do well. This becomes even more important as firms move all or some portion of their businesses to the Internet.

Customers will increasingly seek to purchase from firms that offer end-to-end service. For instance, companies like Virgin Atlantic Airways, which provides business-class ticket holders with complementary limousine service and "drive-through check-in," have the right idea. Recent years have seen the growth of hundreds of concierge services that attempt to take on the countless daily tasks - shopping, laundry, yard work, home repair - that torment us all.

The lesson for tourism companies is that instead of competing over individual links in the chain, *they should compete for the chain itself, which gives them the maximum opportunity to find areas of profit.* As competition increases, tourists expect firms to anticipate their needs and deliver on them more than ever. Some hotels, for instance, do everything possible to keep customers from having to

repeatedly ask for anything. Everyone from the limo driver to the housekeeper knows what newspaper you read, what wine and snacks you prefer in the minibar, and how many pillows you like on your bed.

Thus, for surviving the service revolution, service firms of all stripes – and companies from the tourism industry, too - must start defending themselves, by putting themselves through competitiveness training camp. This will require proactive, far-reaching, often draconian changes, focusing on customer preference, quality, and technological interfaces. Specifically, companies will need to review their strategies to find new value from existing and unfamiliar sources; tear apart and radically re-assemble their operational processes; and restructure the organization to accommodate new kinds of work and needed skills. So, being competitive will be more and more difficult but the alternative could be a disaster.

Prestigious authors consider that customer-relationship management represents the most important dimension of the company strategy. In this respect, Robert S. Kaplan and David P. Norton have analyzed the four essential processes in customer management: client selection, acquisition, retention and growth. This is because the relation has to maintain on long term the contact with the tourists, due to a pro-active approach which strategically integrates the four processes – considering every process individually – maximizing in this way the tourist's value, and the value creation, in general. Many companies make the mistake of considering sales as just a transaction and this is causing loss of contact with customers, without knowing exactly if these still are the firm's clients.

Measuring customer loyalty and developing a retention strategy are critical to an organization's success. The organization that understands and manages customer loyalty has a leg up on its competition. It is very important to find the best strategies to build strong customer loyalty in the organization. It is required to find out how to use the Web to better keep in touch with the customers.

Traveler Experience Management as a necessary step to service excellence

To reach service excellence, companies in the hospitality industry have to believe (consider) that the potential tourist, not the product, is the “hero”. Thus, products and services are not enough and creativity builds value. Specialists have identified four types of experiences, calling them “the four realms of an experience”: entertainment, educational, esthetic, escapist. When offering experiences it is possible that different customers are looking for different experiences, even when the basic services may be the same. Getting it wrong

and offering the wrong experience is likely to be disastrous. Similarly the depth of required experience will vary depending not just on the personal characteristics of the customer (guest), but also on the depth of the relationship and the place where it takes place.

How do you systematically deliver and manage outstanding customer experiences each and every day, at every customer touchpoint in every channel? Customers gain their experience of your business in three ways: communications, people, products and services.

Today, there is a fast-growing movement among organizations interested in improving their customer-centricity through better understanding customer interactions, or touchpoints. Called "Customer Touchpoint Management" (CTM), the goal of this new movement is to improve customer experiences, and, as a result, improve customer relationships. By improving customer relationships, service organizations improve market share, sales, and both customer and employee loyalty and advocacy.

A touchpoint is all of the communication, human and physical interactions that customers experience during their relationship lifecycle with the service organization. Touchpoints are important because customers form perceptions of the organization and brand based on their cumulative experiences. CTM-oriented organizations know that they can best enhance relationships with customers by improving touchpoints across the entire enterprise

Companies are now talking about customer-centricity rather than CRM and are receptive to the idea of creating alignment across the business to ensure consistency in the customer experience, which means developing all the non-IT capabilities as well as the obvious CRM ones. What customer-centricity means is how the whole organization behaves towards customers, not just the touchpoints, the decision points, but how the whole business is organized and optimized around the needs of the customer.

A customer-centric approach should be incorporated into the overall CRM plan and vision that a company has. Customer-centricity should go hand-in-hand with a product focus by promoting the product by all means but shows genuine care for the customer's sensibilities and feelings.

- 1) The key to delivering outstanding customer experiences is improving the quality and consistency of touchpoints: quality in terms of meeting needs, and consistency in delivery and image. And the key to improving the quality and consistency of touchpoints is establishing touchpoint standards and best practices.

- 2) Setting standards establishes performance expectations. Employees need to understand what the standards are in order to perform consistently. Without standards, the quality of touchpoints is left to the individual employee. In other words, without established standards, the quality of a customer experience can be in the hands of the worst firm's employee.

Taking into consideration these ideas, we can define Customer Experience Management as a coordinated effort to accomplish specific goals by improving the quality and consistency of customer interactions – or touchpoints. Using this strategy, a service company can gain important advantages like: constantly positive customer experiences, achieving differentiation, increasing sales, customer retention and referrals.

Specialists (Bengt Wahlström) conclude that performing experience strategies in the hospitality industry have 10 common steps: (1) start by documenting the existing key experiences; (2) identify entrepreneurs and key persons/drivers; (3) analyse the experiences when it comes to theme (content, image). Find synergies and partnership opportunities with other activities; (4) develop experience concepts and combine technology-feelings-brand; (5) get everyone to accept the new experience strategies; (6) identify competitors' actions (7) create a positive media picture – without media, no success; (8) cooperate outside normal borders; (9) keep track of new trends – spend time on business intelligence; and (10) work long-term.

Challenges to service excellence in the hospitality industry

Experiences must provide a memorable offer that will remain with somebody for a long time, but in order to achieve this, the tourist-guest must be drawn into the offer such that they feel a sensation. And to feel the sensation, the guest must actively participate. This requires highly skilled actors who can dynamically personalize each event according to the needs, the response and the behavioural traits of the guests.

The companies that wish to provide for their customers an experience need to see themselves as *stagers of events*. At first sight, it appears that experiences have an affinity with the entertainment and leisure industries. For example: Walt Disney's Theme Parks, a visit to a West End Theatre, an outdoor adventure playground, or a theme restaurant. There is no doubt that the entertainment industry has acquired the skills and talents for engaging people, but now other industries have realized that many such facets can transform a normal service

into a memorable event that the tourist will want to repeat again and will want to recount to all their friends.

Staging events like these is expensive but in the experience economy more and more people will be willing to pay a premium to turn the mundane into a sensation. When designing and delivering experience companies in the hospitality industry should aim to: 1) thematize the experience; 2) harmonize impressions with positive cues; 3) eliminate negative cues; 4) mix in memorabilia; 5) engage all five senses.

For example, to develop loyal guests, managers must give guest value during their hotel stay. The best way to do that is to give outstanding service. One of the key preoccupations that hotels must have in developing a framework of loyal, satisfied customers is to create value for these customers. The matter of creating value for guests is complicated by the fact that different guests see value in different light depending on their purpose of travel. In this context, value can be considered as customers' perceptions that specific hotel attributes have fulfilled their needs during their hotel stay.

A study of the best practices in the US lodging industry shows that many of the innovative hotels featured in the mentioned research share a common commitment to guest service. These companies have excelled in enhancing service to the tourist through various initiatives: creating a service culture, building an empowered service-delivery system, facilitating a "customer-listening" orientation, and developing responsive service guarantees.

Roles of people in achieving service excellence. One essential factor in achieving service excellence appears to be employees who are truly empowered to take whatever actions are appropriate to ensure guest satisfaction. Most companies rely directly on their employees for that superior service. Ritz-Carlton Hotels, for example, empowers all employees to spend up to \$2,000 to solve a guest problem, if need be.

To make this work, employees must know that their decisions are not subject to management review. For example, Singapore Airlines provides exceptional customer service by paying attention to the four drivers of individual behavior and performance: motivation, ability, role perceptions, and situational factors (MARS).

The Ritz-Carlton Hotel Company is capable to inspire non-traditional service through its employees, building systems that create delighted and loyal customers. This is a classic example of a principle-based orientation to service. The credo, "Ladies and Gentlemen Serving Ladies and Gentlemen" forms the

basis for sophisticated methods of attaining high levels of guest service in all areas and departments of its hotels. Two keys to delivering on this philosophy are *selecting (not merely hiring) the right people* and *constant reaffirmation of the Ritz-Carlton principles*. The company hires only employees who share its values, as determined in a structured interview that is empirically scored. A series of receptions is also held for prospective employees to provide managers with an opportunity to observe the prospective hires in social situations and in face-to-face communication. Finally, project teams are created to determine operating methods, solve problems, and enhance customer service.

Organizational orientation and internal marketing is a key condition to enhance traveler experience. Companies should remember that the way their employees feel is ultimately the way their customers are going to feel. Orientation and internal marketing bring the following benefits to the company:

1. help employees make a powerful emotional connection to the brand and to the services the tourism company is selling;
2. help them understand what the company has promised to the customers;
3. make them believe in the brand and the company;
4. make employees be united and inspired by the common sense of purpose and identity.

Thus, an integrated focus on *orientation* (making customer retention a priority, openness to sharing information, emphasis on internal marketing, giving employees wide capacity to satisfy customers, different customers treated differently on the basis on their lifetime value), *configuration* (structure of the organization, its processes, incentives for building relationships) and *information* (customer information that is in-depth, current, relevant and available in all parts of the company; information provides inputs for campaign management and for designing traveler experience) is required to achieve outstanding customer experience.

The benefits of internal marketing for the company's profitability are obvious: satisfied, well-trained, motivated workforce, superior customer service, reduced absenteeism and less turnover, high tourist satisfaction, positive word-of-mouth communication, more customer repeat, new customers. Study results show that companies with above-average customer satisfaction scores also reported above-average employee satisfaction.

In this context we can mention the outstanding example of Delta Hotels (Canada's largest first class management hotel) and their philosophy that their

key strengths are “people resources”. The core values that guide them are: relentless pursuit of guest satisfaction and loyalty, relentless pursuit of employee satisfaction and commitment, openness and accessibility, continuous improvement, honesty and integrity, employee creativity and competitiveness, partnerships with communities. Planning, customer focus, people focus, process management are drivers of their business excellence. Knowing that *having employees connected to the business is a characteristic of a Best Company*, Delta Hotels is extraordinarily managing the factors that inspire engagement: people (senior leadership, business unit leadership, manager, supervisor), work (intrinsic motivation, resources), opportunities, quality of life (work-life balance, physical work environment, corporate citizenship), procedures (people practice implementation, performance review), and total results (pay, benefits, recognition). They consider that people’s engagement is the extent to which employees want to, and actually do, improve the business results; it is the measure of energy and passion or the measure of the extent to which the company has captured the hearts and minds of its people. Their quality statement is: “quality at Delta is the right people using the right process to deliver the right product at the right price”. And quality is capable to: increase their competitive advantage, enhance our positive impact on employees, continue to adapt quickly to their customers’ expectations, and increase positive impact on financial status.

It is worth to mention W. Edwards Deming’s words: “...it will not suffice to have customers that are merely satisfied. Satisfied customers switch, for no good reason, just to try something else. Why not? Profit and growth come from the customers that can boast about your product or service – the loyal customer. He requires no advertising or other persuasion and he brings a friend with him.”

In order to offer outstanding customer experience, companies in the hospitality industry should avoid some common mistakes (like *missing the target, delusion, indolence, lack of focus, lacking knowledge or awareness, group thinking, dissociation, oversimplification*) which occur over and over and can make a business fail to develop and implement strategy that creates value to the tourists. Some of the mistakes regarding how people behave and make decisions are a result of who we are as human beings. The reasons why people and companies repeatedly commit these mistakes include: human nature, over-learning, and attempting to demonstrate a virtue at the wrong time.

Human nature causes each person to have inclinations including a comfort zone inclination of doing what is comfortable instead of what needs to be done; inclinations in perceptions which make every person to see the same facts

differently when viewed through the lenses of his or her own life experience. To avoid repeatedly committed mistakes, an organization must develop the right purpose and perspective, defining the right goals, and characterizing the problem correctly. Thus, it must overcome incognizance, to create awareness and perspective. We consider that avoiding these mistakes starts at the beginning of the strategy development process by getting the right people involved, having the right kinds of conversations and exhibiting the right behaviors.

Becoming more performing involves tailoring the approach used, as well as the people, processes, and tools, to fit the specific problem being solved. Thus, it becomes obvious that service excellence strategy in the hospitality industry requires: cognizance, creating perspective, good processes, involvement, and roles.

Following the excellence performers to sustainable competitive advantage

The service-quality performers in the hospitality industry are engaging in a variety of approaches, frequently in combination. Some of the champions, for example, worked on setting key principles in an effort of disseminating service-excellence standards and ingrain employees with them. Others focused on empowering employees to provide whatever service seemed necessary to create guest satisfaction. Still other performers developed comprehensive, but readily understandable methods for collecting and generating information concerning customer wants and needs. Finally, a few champions implemented customer satisfaction guarantees.

What exactly do these companies in practice to achieve service excellence?

One of the performers created a vision of excellent guest service supported by 10 principles. Coaching, orientation, training, and employee recognition are all elements of the program. This is called *Cornerstone Program - Developing a Service Culture*. Owners and managers created the vision and the principles. Managers were selected to be coaches.

The Ritz-Carlton Hotel Company ensures superior customer service using selection and training based on a set of principles through a *Maximizing Guest Service Program*. The basic concept of customer service is developed at the corporate level and then implemented at the property level through careful selection, seminars, project teams, and employee empowerment.

Another company uses a three-phase practice of enhanced service quality that includes training and an ongoing employee orientation to the guest experience – called *Quality-Service Management Program for Employees*. Each employee is designated “Captain Quality” for a week. This role involves being a guest and visiting each department. Training on communication and atmosphere (e.g., noise, lighting) are employed during the year.

The core values established by the Marriott family over 80 years ago have served the company well and will continue to guide its growth in the future. Beyond these core values is the enduring belief that company’s associates are its greatest assets. There is a “Marriott Way.” It’s about serving the associates, the customer, and the community. Marriott’s fundamental beliefs are enduring and the keys to its continued success. Marriott Hotels International instituted a *12-point guest service program* originally developed by the opening team. This 12-point service program was designed to encourage staff members to treat each guest as though she or he was “part of the family and on a visit to your home.” This philosophy of treating the customer as part of the family, originally advocated by J.W. Marriott, Jr., was the foundation for re-energizing this hotel’s guest-service focus. In this programme employees are required to carry pledge cards, and each daily meeting begins with a review of the importance of satisfying the guest. Every Friday afternoon all employees and any guests who so desire gather on the lobby terrace for a pep rally during which guest letters and cards are read. The associates yell the hotel’s special cheer during the rally, helping to heighten the loyalty of the staff and create a spirit of family among all who attend. Finally, to help sustain commitment to the 12 points, a number of staff-recognition programs are instituted for exceptional guest service, including rewards for back-of-house personnel.

Carlson Hospitality Worldwide uses a *Total Customer Satisfaction via an On-line Database and Employee Empowerment Program* that is another practice to success which instituted a customer-satisfaction policy in which employees are empowered to handle customer complaints. It is currently developing a chain-wide, interactive on-line database of customer information. Method of implementation: conducted research on guarantees, including focus groups with guests, employees, and operators. Developed training materials and programs.

Another excellence performer is *Providing Absolute Guest Satisfaction Program* which accommodates all guest requests built on a philosophy of never saying no. Method of implementation: uses a one-page policy manual, casual uniforms, no job descriptions, promotion from within, employee rewards, and an exchange

program with other hotels to support employees as they accommodate guest requests.

Experiences aren't the ultimate form of economic supply. Service excellence performers go beyond tourist experience, they offer transformations. While experiences do provide sensations and a memorable event these do wear off with time. Transformations on the other hand make a permanent beneficial change to the customer. While experiences are memorable and are sustained for a time, transformations are *inspirational* and *must be sustained in time*.

These service-quality performers have a common theme: they emphasized the importance of getting employees involved early in the process (and during the selection or hiring process), rolling the program out gradually to gain employee support, and providing proper training and sufficient empowerment to allow employees to excel in their jobs. These memorable experience champions also advised that top managers fully support, actively participate in, and reinforce the excellence philosophy and program. Staff members must know that managers listen to the employees and support their actions.

Given the complexities of the excellence programs explained, we believe that implementing such programs is difficult - and failure is a strong possibility. The following are the lessons of those programs. First, not only must a hotel choose to develop high standards of service quality, but its managers must adopt a true commitment to service. Many times senior managers of lodging organizations advocate (adopt) an engagement to service, but are unwilling to support this vow through actions or resources. Thus, the "commitment" to service becomes only a hollow promise that employees and guests quickly recognize as worthless.

Second, hotels must be willing to empower all employees. Excellence performers repeatedly expressed the importance of granting employees the responsibility and authority to handle guests' problems, but it seems that most hotel managers have problems in giving up control to their staff members. We suggest, for example, that few hotel managers would be willing to allow their employees to spend \$2,000 to solve a guest problem, as Ritz-Carlton does, without attempting to oversee the transaction in some way. At the same time, some operations have problems in empowering employees because of high turnover levels. Those firms will need to change their organizational culture to encourage employees to stay.

Finally, although our service champions did not clearly mention the way they evaluate employees, we consider that a commitment to service quality requires a revision of typical evaluation standards. If, for example, organizations continue to

focus on cost reductions as a measure of job performance, the signal sent to employees is one that encourages economizing on guest services, not one of satisfying guests' needs. Service quality, by contrast, consumes resources for training and rewarding employees who deliver service levels that exceed guest expectations. Thus, a commitment to service may actually provoke increased expenses, even though profitability should also increase. Thus, employee-evaluation standards in a guest-service environment should focus on overall profitability, and not only on costs. Otherwise, the establishment of a true commitment to service will not be facilitated.

Taking into consideration the above-mentioned practices, more hotels must encourage taking the critical decision of committing to service excellence as an overriding goal. Not only is service a critical area for competitive differentiation, but best-practice analysis indicated that the level of service quality is a key factor in determining traveler satisfaction and overall customer loyalty, regardless of whether the customer was a leisure guest, business guest, or intermediary. Not only does a service-excellence focus allow for sustainable competitive advantage, but it is ethically appropriate. That is, every hotel employee should treat the guest the way the employee would wish to be treated.

Romanian hospitality industry: challenges, opportunities, solutions

The marketing environment of the Romanian hospitality industry is enjoying the valuable support of Romanian journalists; their dynamic experience could be a source of inspiration for all those preoccupied to identify the necessary solutions in the confrontation with the aggressive competition and feel that they have to look beyond the "information illusion" (emphasized by the American Project for Excellence in Journalism, as eMarketer informs us on March 15, 2006 in: "More news is bad news. News or regurgitation?"). Maybe it could be really interesting for us as well to promote a "Project for Excellence in Journalism" aiming at rebranding the Travel and Hospitality Industry in our country.

Customer satisfaction in tourism is greatly influenced by the way in which the service (hospitality) is delivered and the physical appearance and personality of the business. It is critical that these elements be communicated in the best possible manner to convince people to come and experience what your business or community has to offer. Equally important is the ability to generate repeating business because of your efforts. Thus, marketing becomes the method to reach potential visitors. It is a vital part of tourism management and can be done

effectively and well, with sophistication and tact, or it can be done poorly in a loud, crass and intrusive manner.

Romania is one of the most attractive and dynamic markets in Europe, even it is “the EU’s best kept secret”, as the ambassador Nicholas Taubman asserted on the occasion of a Romania promotion tour in the USA. The American ambassador spoke about “the extraordinary changes” that took place in Romania, a country that “emerged from the long and dark night of communism and made an incredible progress in the last years”. Romania has “an enormous potential and a market of 22 million consumers”, Taubman was referring both to the natural resources, and, especially, to the human resources.

According to the statistics of the World Travel and Tourism Council (WTTC), from the tourism industry growth point of view, Romania is ranked the seventh among the total of 176 countries taken into consideration. Romanian tourism is developing, but we must notice that it is sensibly growing only related to the outgoing and to the internal tourism. The outgoing means actually import of services. In Romania, we are importing tourism or we are selling it internally in our country. We are not (yet) in the condition to export our own hospitality industry and – actually – our country image. The incoming – export of services – that means to bring foreign tourists in Romania, is also growing, but less than the outgoing or the internal tourism. Romania was ranked among the last ones in top 50 destinations with tourist potential, regarding the tourism income per inhabitant.

The number of foreign tourists who visited Romania in the first five months of 2008 reached 3.16 million, increasing by over 35% compared to the same period of the previous year, according to the National Institute for Statistics (NIS). The majority of the foreign visitors are coming from the EU countries (62.5%). Out of these EU visitors, most of them are coming from Hungary (35.9%), Bulgaria (22.1%), Germany (9.1%) and Italy (8.1%). For the time being, due to the underdeveloped infrastructure, our country is the 76th in the international top of competitiveness in tourism, between Azerbaijan and El Salvador.

The analysis of changes occurred in the tourism industry in Romania shows that our country has lost the start in this sector and, according to the international classification, is being ranked even after Bulgaria. Among the good things that took place in Romanian tourism we can mention the penetration of prestigious hotel chains in Bucharest and other large Romanian cities, for business tourism purposes. At the same time, the boarding houses and the agritourism are at the height of their development, but Romania does not have yet a coherent strategy

for tourism development and does not know how to use, for example, the Dracula myth, very popular in the West. Not even the seven tourism sights included in the UNESCO patrimony – the monasteries of Bucovina, the fortresses of Transylvania, the Dacia fortress near Orăștie, the wooden churches of Maramureș - although they attract many foreign visitors, they are not enough capitalized by the local authorities.

Except for Bucharest and other large Romanian cities, which attract famous investors from the international lodging industry, Romania does not adequately benefit from its tourism strengths and opportunities. Even if the investment amount would have been larger, difficult access to the tourism routes, due to lacking infrastructure, hinders adequate incoming development. However, the new free market economy has irrevocably changed the appearance of the tourism industry in Romania, industry that was almost completely destroyed before 1990.

The seaside, which was the Romanian hospitality centre in the past, has lost the competition even with Bulgarians, due to the high prices, that cannot be explained by the service quality, nor by the hotel comfort. The stagnation in the development of seaside resorts can be explained by the lack of famous investors, who “are the only ones capable to negotiate with the most important international tour operators in order to attract tourists with money. Tourism will not recover as long as famous companies are not investing in the Romanian seaside”, asserts Mihai Fercală, president of the Financial Investment Society SIF Transylvania, a company that controls an important part of the Romanian lodging industry.

In time, especially after the year 2000, Romanian business tourism and the cultural routes to the monasteries of Bucovina and to the fortresses of Transylvania have been recovered. The seaside continues to attract many Romanian tourists, who prefer to accommodate at private boarding houses rather than hotels, considering the high prices they would have to pay.

The most dramatic and surprising decline in the Romanian tourism industry has occurred in the spa resort sector, which has survived only due to trade union programs supported by the government, offering free treatment tickets to pensioners. However, specialists consider that the Romanian spa tourism has started to recover in the last four-five years. “At the moment, over 50% of the infrastructure is modernized at international standards”, stated Traian Bădulescu, National Association of Tourism Agencies specialist (NATA). “An important role in this recovery is played by the local authorities”, says NATA. SIF Transylvania

has invested for the last years in the modernization of its hotels in Băile Felix, Buziaș, Băile Govora, Băile Olănești, Vatra Dornei, Ocna Sibiului, Slănic Moldova and Amara. Still, the very bad condition of roads and entertainment facilities, the untrained personnel, the lack of projects to implement European standards and the absence of public-private partnerships are the main “threats” to the Romanian balneary tourism.

Romania owns about 40% of Europe’s balneary resources and the demand for relaxation and treatment tourism is getting higher and higher, both in our country and abroad. Spa tourism is more and more a “must” addressing to active persons, willing to care for their health, to disconnect from the daily stress and to “recharge their batteries” during short, periodical vacations. The current trend of so-called “spa and wellness tourism” requires fewer investments compared to the older type of balneary sanatorium with medical personnel. Similar to western countries, “in Romania, spa and wellness tourism is overwhelming the treatment tourism” affirms a NATA specialist. Foreigners, as well as Romanian tourists, prefer to stay in 3 or 4 stars hotels, like anywhere else in the world, therefore balneary tourism requires investments to improve the comfort level. At Băile Felix is the only hotel in Romania, certified with the Europe Spa Med award, which proves the ESPA standards fulfillment, referring to the general infrastructure of therapies, hygiene and tourist security.

Nobody can estimate the proportions of the Romanian tourism if the hotels and restaurants have been transferred towards private control since 1990. Unanimously, tourism specialists and observers affirm that the administration tenancy was a big mistake and the source of many current problems and blockings. Recently, the Government has decided that the Ministry of Small and Medium Enterprises, Trade, Tourism and Liberal Professions will form committees and related secretary offices in order to prepare the privatization process. According to this regulation, the MSMETTLP is commissioned with the privatization process finalisation, by secondary public offer, for seven commercial companies in tourism, owned by the government: S.C. Athene Palace S.A., S.C. Lido S.A., S.C. Predeal S.A., S.C. Robinson S.A., S.C. Litoral S.A., S.C. Mamaia S.A., S.C. Neptun-Olimp S.A.

After 20 years of democracy, Bucharest holds now famous business hotels at high standards, acknowledged international hotel chains, identical with those in Paris or Vienna, like JW Marriott Hotel or Athenee Palace Hilton Hotel. Bucharest holds also some jewel, boutique-type hotels, some of them 5 stars, like Casa Capșa or Carol Park Hotel, or other less luxurious, 3-star hotels, but with interesting decorations, like the Rembrandt Hotel, located in the old financial

district, near the Central Bank. Grand Hotel Rex remains the most luxurious hotel the Romanian riviera. It is located in Mamaia, the preferred coastal resort in Romania, for many local tourists.

We have to mention in this context that the quality standards established by Marriott International are also applied by the hotel in Romania. Thus, the guiding principles to service excellence applied by JW Marriott Bucharest Grand Hotel are: (1) Address each guest by name, if possible; (2) Establish eye contact with a guest who is within 20 feet; (3) Smile at a guest who is within 10 feet; (4) Answer a guest with "it is my pleasure," rather than "you're welcome;" (5) Escort guests to their destination each time, rather than just pointing the way; (6) When a guest asks something of the employee, the employee should realize that he or she owns the request, rather than giving the request to some other employee; (7) Concentrate on what an employee will be "happy to do," rather than what the employee "can't do;" (8) Always answer the phone before four rings or fewer; (9) Notify the department head of any accident; (10) Always wear the proper uniform and name tag, maintain a shoeshine, and carry the 12-point pledge card; (11) Arrive when scheduled and on time; (12) Always show respect to other employees and work closely with them.

In Bucharest there are today 69 hotels, providing a number of 8.995 rooms, classified between 3 and 5 stars." The market is dominated by 4-star hotels, as a result of demands expressed by the business community. In 2006 and 2007, over 1.100 rooms were opened, in eight classified hotels, including hotels under the management of some big international hotel chains", say the representatives of the consulting company Jones Lang LaSalle. According to them, the construction activity continued also in 2008, seven new hotels being in construction and until the end of 2009, other 2.830 rooms will be opened. The consulting company representatives are saying that during 2006 and 2007 there was a temperate growth in productivity in the lodging sector, as a result of a constant room occupancy degree and a slight increase in accommodation prices. Bucharest represents Romania's economic centre, where the service segment is holding an important role in its structure, and about 80% of the accommodated tourists are traveling for business purposes. Tourism represents just a small part of the total number of accommodations, due to the limited number of attractions available in Bucharest.

Kempinski, the German chain of luxury hotels, is preparing to enter the Romanian market, either by purchasing one of the two hotels located on Magheru Boulevard in Bucharest, or by building one from the ground. Kempinski representatives are also interested in the mountain resorts from Prahova Valley,

where they could build a hotel of minimum 100 rooms, even before investing in Bucharest.

If the absence of highways represents the major obstruction point for the Romanian tourism development, the infrastructure in this sector has been developed together with the economy. The expansion was slow, and it began in Bucharest, as a response to customers' demand. Specialists mention the present trend of building 3 and 4-star hotels or improving the conditions of existing 1 or 2-star hotels. Official statistics show that last year in Romania there were 4.694 lodging structures, of which 1.081 hotels. However, "the real number of lodging structures could be over 10.000", says Bădulescu, who doesn't consider fully relevant the data from National Institute for Statistics.

The experts estimate that Romania will get an income of 1.5 billion euro from tourism until the end of 2008, from an approximate number of two million foreign tourists, which represents a growth of 10-15% in comparison with the previous year. Only the seaside tourism will bring an income of minimum 350 million euro, by 15-20% more than in the previous year. About 1.5 million Romanians will travel abroad, via tourism agencies, until the end of the current year – an increase by 30% compared to 2007. About 5 million Romanian tourists will spend their holiday in Romania – 15% more than in the previous year.

Travel agencies' representatives say that almost all major tour operators are present in Romania. They don't have yet offices directly opened in Romania, but they do have a discreet presence, by partnerships with the local travel agencies.

Romania holds seven tourism sights which are included in the UNESCO patrimony; this represents only one sight less than Austria or Hungary. These sights are especially favorite destinations of the cultural tourism, like the monasteries in Moldova, the Horezu Monastery, the fortresses in Transylvania, the Dacian fortress near Orăștie, the historical centre of Sighișoara and the wooden churches in Maramureș. Like anywhere in the world, the UNESCO stamp represents a clear indication for the tourism sight attractiveness and maps out precisely the most important tourism routes. The Americans prefer the cultural routes in Transylvania and Dracula tours, British tourists prefer the cultural routes in Maramureș, Bucovina and the mountain resorts. French, German and Austrian tourists prefer the cultural routes and the Black Sea seaside.

Among the challenges that the Romanian tourism industry is confronting with, we can mention: identifying key partners that could be engaged in some more effective tourism actions; attracting new markets (visitors); sojourn extension for

existing tourists; market visibility in terms of product (accommodation, information centers for visitors, attractions, etc.); training of tourism operators.

Romanian tourism needs a new and representative image and has three possible choices for that: a mass tourism destination, a niche tourism destination or a specialized destination. In an extremely competitive world, Romania needs a new image and a new brand and should learn from the success stories of tourism in some nearby countries, like Croatia.

In this respect, there are three essential points for a successful Romanian tourism: creating a coherent product, aiming to attract profits, achieving a flexible strategy and the co-operation between the private environment and the authorities. Romania could become a mass tourism destination, which means more flexible prices, or to become a niche destination, using an aggressive marketing strategy, or could adopt a specialized tourism scenario, as a sky or youth destination.

The General Direction for Tourism Promotion, under the Ministry of Small and Medium Enterprises, Trade, Tourism and Liberal Professions, will allocate 75 million euro from the European structural funds, to accomplish the project "*Romania's tourism brand*". The action will start this autumn, and will end in 2012. The project aims to create a tourism brand, and not to promote the Romanian tourism worldwide. The tourism officials intend first to create the brand, and afterwards to invest for its promotion.

Considering all previously mentioned aspects, the sustainable tourism development strategy in Romania – based on some principles like increasing the results in the tourism sector, increasing the occupancy degree of local inhabitants, a more effective public-private partnership – and the offer of memorable traveler experiences, must take into account the following actions:

1. Creating a business plan based on an adequate marketing strategy in order to develop a strong brand;
2. Creating marketing programs through cooperation of the central and regional organizations and the tourism businesses, considering both the main markets and the emergent ones (young people; niche markets – historical tourism, religious tourism, medical tourism; ecotourism; cultural tourism, etc.);
3. Segmentation of the visitor market in Romania, as a tourism destination, in order to create strong brands;
4. Developing marketing actions through all media, emphasizing the role of public relations in the tourism sector;

5. Developing the tourism product in every region;
6. Increasing the variety of high quality tourism experiences, offering a variety of natural attractions, cultural experiences, adventures, accommodation choices – hotel, motel, boarding houses, camping, etc.
7. Achieving an adequate positioning through a strong positive image;
8. Confirmation of the national and international recognition of Romania as tourism destination.

Tourism, as part of everybody's business and a powerful instrument of development, possesses a natural synergy with the concept of sustainable development. The tourism sector today has to cope with the sustainability challenges and that is why it needs an integrated approach to planning and marketing management striving for quality in order to achieve it.

As a conclusion, competition intensification in the Romanian tourism marketing imposes strategic and creative answers, for adapting to trends, a maximization of the number of visitors and of their satisfaction. Our hospitality industry, being right in the middle of the confrontation with the imperative of adequately positioning the Romanian hospitality market as an outstanding attractive destination, is forced to resort to effective and innovative marketing campaigns and strategies, operating with holistic marketing plans and programs, aiming to create the awareness of achieved progresses in the development of the hospitality product and services for the potential visitors.

Conclusions

Taking into consideration the present trends in travel and hospitality industry – lack of time, flexible packaging, demography, target groups/relations, the experience economy, “money talks” more for less, security, late bookings, infrastructure – and also the essence of customer orientation and marketing in the hospitality industry, offering memorable traveler experience requires: 1) Choosing market and target groups; 2) Strategic management involving employees; 3) Total experience concept; 4) Customer orientation – develop what the customer wants; 5) Empowerment – employee to solve customer's problems; 6) Hostmanship – meeting between employee and guest; 7) A culture that engages and motivates all employees; 8) Lasting quality in the company's offer.

It is obvious that tourism marketing reality implies a growing engagement in accepting the creative thinking challenge, progressing through knowledge and understanding towards mutual confidence, converting emotions into agreements

and the relation based on these agreements into a loyal and emotionally connected one, for a certain period of time. This implies to acknowledge the strategic relationship desired by the traveler, focusing on the targeted traveler-tourist and adjusting the offer to his/her demands so that he/she should resist competition's offers.

Real positive customer experience comes from tourism companies that show they care about the customer. Companies that have a memory (so travelers don't have to tell their story repeatedly) and really provide ongoing value to a traveler understand that travelers are truly the most valuable entity of any business in the hospitality industry. Those companies treat their customers as not only their only source of revenue, but as a scarce, valuable resource. When companies work this way we are more likely to see really terrific traveler experiences. And the total traveller experience means everything.

The future tourism and hospitality industry will be an exiting global market of growth demanding leadership, partnership and professional management to handle: the fast development of technology, where all traveling starts on the Internet; destination development – hotels as leading packaging companies; customer orientation – customer wants to have tailor-made, individual solutions and to be in control when designing their own packages; leadership and management (companies will hire attitudes and train for skills, company's culture will allow employees to take their own initiatives at a high level of creativity).

According to experts, the critical component to being competitive in global markets over the next 20 years is the ability to be innovative. The hospitality industry demands innovation in the coming decades; this innovation will come from companies that foster creativity and communication. Service innovation has many inherent risks from both travelers and competitors, but wise management of these risks can lead to increased profits and a stronger long-term position. Today innovation is more about reinventing business processes, collaborating and integrating within the firm, and creating entirely new markets to meet various customer needs.

Increasing globalization, the growth of the Internet, and more demanding customers are forcing marketers to find innovative ways of conducting tourism service business and reaching excellence. The success factors for hospitality innovation are: market selection, strategic human resource management, training of employees, market responsiveness, empowerment, behaviour-based evaluation, marketing synergy, employee commitment, and tangible quality. All the companies in the hospitality industry should be aware that providing the guest with a superior experience is the only sustainable advantage that anybody has in this industry.

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