COMPETITIVE POSITION OF THE EUROPEAN UNION TOURISM INDUSTRY. STRATEGIES FOR MAINTAINING IT

POZIȚIA COMPETITIVĂ A INDUSTRIEI TURISTICE A UNIUNII EUROPENE. STRATEGII PENTRU MENȚINEREA ACESTEIA

ALINA HAGIU[1], MARINELA TANASCOVICI[1]

[1]University of Pitesti, Faculty of Economics, Pitesti, Romania;
alinahagiu@yahoo.com

Abstract: *In the context of an internal and external competitive and powerful environment, the main purpose of our article is to reveal the strategies necessary to maintain and improve the competitive position of EU tourism industry. To do this we start from identifying "targets" of the industry. The most important of them is strengthening the tourism industry to become an industry with a dynamic and sustainable growth, which aims to provide its customers high quality travel experiences at a balanced ratio price - quality. These objectives, which we present below, expressed the direction which should move the European tourism industry to become more competitive relative to other regions.*

Key words: *competitiveness, tourism, strategy, challenge;*

INTRODUCTION

Over the last decade the EU tourism industry sector has become a major area for the European economy. On one hand, tourism generates a significant added value to the economy and on the other hand tourism contributes to the attractiveness of a city, of a region. It was agreed that the tourism industry can play an important role in achieving the Europe 2020 Strategy objectives. For protecting the interests of the tourism industry, different actors have to act more often as a single industry. In present, the industry often operates as a very fragmented industry with varying degrees of interest. Both public and private authorities acting in the field should act more "proactive" in the field of the existing challenges.

The starting point in setting the strategy for improving the competitive position is represented by the decisive elements of competitiveness, which are mainly given by:

1. Factorial conditions, namely:

- natural and cultural resources;
- capital resources and infrastructure;
- human resources.

The combination of the three groups of factors forms the basis of the competitive position of a destination.

2. The quality and structure of tenderers which represents the destination and the experiences linked by it. The competitive position of a destination is determined in a great part by its diversity, its degree of specialization and not least by the quality of bidders. An important competitive factor is the quality of tourism products given the natural quality (of the environment), material (of the hotel base, catering, transport, sports, etc.), immaterial (administration, information, organization, etc.).

3. Market structure and organizational structure, *distribution channels*, in their quality of determinants of competitive position are strongly influenced by the size of enterprise. Faced with global competition, many SMEs have difficulties in establishing a unique destination in distributing their products worldwide.

4. Conditions of demand manifestation and supply adjustment, basic elements of competitiveness, due to size and market structure (share of tourism specific market, income level and social level, the degree of saturation, etc.), the passenger experience towards new products. Evolved tourists and consumers are an important factor for competitive advantage of a destination; tourists who give priority to quality serve as quality continuous control, and can substantially contribute to competitive advantage. For adapting the offer to the consumer needs must be spotted the new trends and new opportunities to realize the tourism product.

The measure in which these determinants can contribute to the competitive position depend on the destination, namely the socio-economic development level, landscape features, climate, culture, political factors etc.

The main purpose of this paper is to identify strategies necessary to improve the competitive position of EU tourism industry. For doing this we will start by identifying the "targets" of the industry, of its stakeholders. The most important of this is strengthening the tourism industry and its transformation into a sector with a dynamic and sustainable growth, which aims to provide to its customers high quality travel experience at a balanced

price-quality ratio. These objectives to which we refer, expressed in general terms the direction in which should move the European tourism industry to become more competitive relative to other world regions.

MATERIAL AND METHOD

The research was accomplished from a triple perspective, in which the conceptual methodological approach is correlated to the empirical study and to a variety of references to practical actions aiming the increase of the European tourism competitiveness, based on the current knowledge in the field.

The results expressed in this paper were the result of a quantitative and qualitative analysis of the characteristics and the evolution of the European tourism industry. We didn't have omitted the challenges of the European tourism industry or the strategies to increase its competitiveness.

RESULTS AND DISCUSSION

A. Key challenges of European tourism industry

To achieve the above objectives, the challenges of the European tourism industry are capitalizing the existing opportunities through further exploitation of their strengths and minimizing the existent weaknesses.

We have identified six major challenges to maintain and even increase the competitiveness of the EU tourism industry:

1. *Strengthening the E.U. tourism industry as a sector with high quality service;*
2. *Position of the E.U. as the world no. 1 tourist destination;*
3. *Including tourism industry in the composition of the knowledge economy;*
4. *E.U. tourism development in a sustainable manner;*
5. *Increasing the value generated by existing resources;*
6. *Ensuring the enough "oxygen" for business tourism.*

B. Strategies for maintaining the E.U. tourist industry competitiveness

The existence of numerous companies from any economy, which develops activities more and more diverse, clearly demonstrates some of

their polarization into two categories - ones that recorder notable performance, thrives and grows continuously, while others barely survive in the highly dynamic competitive environment and the economic and financial indicators are modest.

Thus, we can characterize the companies from both categories:

- first clearly direct their work towards objectives realistically set based on thorough analysis, are responsive to changes produced in their action, are able to exploit the appeared profitable opportunities, they work efficiently, all of this because of the application of a performance management;
- the ones from the second category are in derive, have an activity without a specific purpose, suffers from a chronic passivity, are unable to notice and to exploit the opportunities offered by internal or external changes, in other words, are lead by an inefficient management.

The competitiveness of a firm supposes first of all performing a critical analysis of all available capacity, i.e. of the strengths and weaknesses of all company's components, with special reference to the key success factors and to competition.

The analysis of the company competitiveness, therefore focuses on identifying opportunities to improve its performance in terms of establishing a competitive strategy appropriate to its business environment and is an integral part of the strategic planning along with the analysis of the future trend of the firm, in which is highlighted trends, opportunities and threats that can significantly influence this development and the firm strategic portfolio analysis, in which is assessing the prospects which this has in various business fields, there are compared these perspectives, are established priorities and are allocated resources properly.

Achieving competitive advantage is the result of a competitive strategy that aims to establish a profitable and sustainable position against the forces that determine competition inside the branch.

This strategy is based on two very important points, namely: the first would be the attractiveness of the industries in terms of long-term profitability and the factors that determines it. Not all industries offer equal opportunities for sustained profitability, and the inherent profitability of its industry is one of the key components in determining the profitability of a firm. The second issue of great importance in competitive strategy concerns

the determinants of relative competitive position of an economic sector. In most economic sectors, some firms are more profitable than others, regardless the industry media profitability.

Tourism performance can be measured by factors such as: customer satisfaction, efficiency of operations, growth rates of firms and industry, won market shares and profitability.

In the tourism supply, indicators to measure short-term performance are influenced by promotional activities such as the launch of holiday packages, case in which the sole purpose is to increase sales and market segments, with often consequence on the decreased efficiency and profitability.

Performances are affected also by the public policy, especially by changes in legal regulations, international arrangements, and competition law. Moreover, promoting tourism by public institutions and providing grants and/or tax incentives have had a marked impact on production, for example in the offering tourist accommodation relations.

Tourist company takes the offers initiative, but the customer is responsible for deciding whether a tourist product meets its desires, preferences and his tastes. Therefore, the tourist service has to conform to these interests, tastes and preferences, and in the same time the customer must be informed of this line, turning it from a potential tourist to a real one and maybe a constant one.

Developing any tourism product strategy, market penetration, distribution organization, promotion measures, etc., are therefore based on data from ongoing studies activity, systematic and methodical requirements and trends of the tourism market. These studies include the following circumstantial aspects:

a) Characteristics of the tourism market. Travel organizers and service providers should be aware which tourism products are required, what share must have the component services, which are the minimum qualitative and quantitative requirements which must meet these products to be accepted, the volume and the likely demand for those products, which are the trends of prices and tariffs for related tourist products.

b) Positions won by competing bidders. On tourist market, success or failure of an action of penetration with a tourism product are often conditioned by the attitude and position on a given market of competing

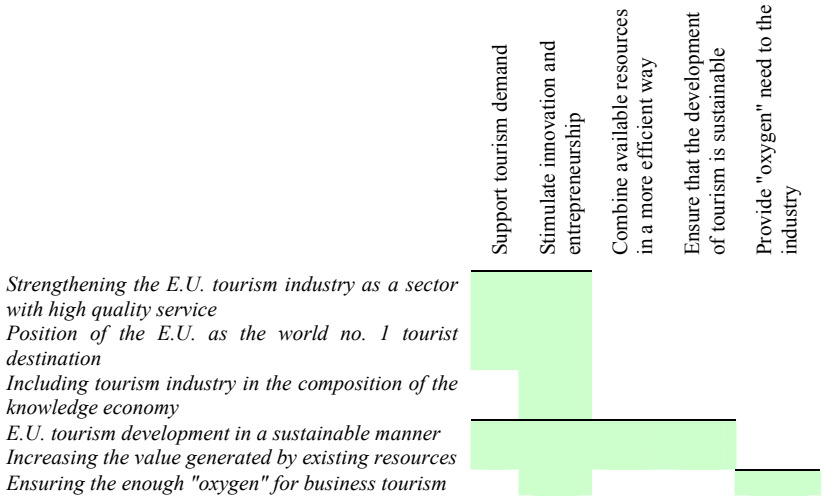
bidders. Analysis of competing bids has as aim, the objective assessment of their possibilities, stimulation and completion of its initiatives, knowledge of marketing tools used by competition, in which region attracts its own clientele, which are the groups of tourists to who are addressed and which is the average income of those.

c) Gained position on a market by the tourism product. Determination of positions gained on a market by a tourist product or a set of products, constitutes an important element foundation of marketing strategy.

Table 1 shows how different fields of action can help in dealing with the challenges that influence the tourism industry of the EU. Some of these actions target only one stakeholder (industry associations), member states or EU authorities, more calls for concerted collaboration among different stakeholders to have efficiency as possible.

Table 1

The relationship between the six challenges and five fields of action



Next we will develop the areas and the strategies necessary to maintain the competitiveness of the EU tourism sector.

1. Supporting tourism demand, trough:

- creation and promotion of "Europe" brand;

- improved travel convenience;
- greater uniformity of quality assessment;
- struggle for worldwide liberalization of trade and investment in services.

2. Stimulating innovation and entrepreneurship, through:

- improve market intelligence and data availability;
- develop a center of excellence at EU level;
- improving the cooperation with schools and training institutes;
- improving tourist activity attraction as an employer;
- awareness of innovation importance.

3. Combine available resources in a more efficient way, through:

- awareness of the role of global value chains;
- fostering networking and collaboration within the value chains;
- creating a platform for the tourism industry in the EU

4. Ensure that tourism development is sustainable, through:

- support "tourism for all" at EU level;
- actively support and participate in social dialogue;
- awareness of sustainability principles in tourism;
- improvement of transport conditions.

5. Provide "oxygen" need to the industry

- promoting EU financial instruments;
- monitoring the impact of other policy areas and at different geographical levels;
- minimize the administrative burden;
- bridging discriminating in tax and regulatory system;
- negotiate a safeguards system to improve access to finance.

CONCLUSIONS

To improve the competitive position of EU tourism industry, we identified five fields of action. Various actors in the tourism sector have taken so far - each as far as possible - many initiatives to improve the competitive position of industry. Fields of action identified are not isolated from each other. Each of these actions fights various challenge and every challenge require action in different areas. Therefore coordination is need it. Gaps between different fields would prevent an overall improvement of competitive position. Different fields of action should reinforce each other

in such a manner as to provide industry with a complete response to various challenges.

It takes a shared commitment of all the different actors in the tourism value chain. Each "actor" must find its place in the "story" of a whole and to assume its share of responsibility.

We believe that the competitive position of EU tourism industry can be enhanced only if the actors cooperate with each other to achieve this objective.

To improve the competitiveness of tourism in the EU, to all fields of action must be given the same importance and therefore should not be given to one at the expense of others.

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