

ALL INCLUSIVE SYSTEM ADOPTION WITHIN ROMANIAN TOURIST SECTOR

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Abstract

The all-inclusive system has greatly developed in countries with a traditional tourism branch. Regarding the degree of implementation of this system in the tourist unities from Romania, we can say that it is a very low one, found generally, exclusively in the resorts from the Black Sea coast.

Throughout this paper we present a series of general aspects which characterize the all-inclusive system, both positive and negative aspects concerning its implementation, but also a series of aspects which characterize the present situation of the use of this system in Romania, respectively its perspectives, starting with the statements of the representants from the Romanian tourism domain.

Key words: *tourist units; all-inclusive system; Romania; tourism sector; stats.*

JEL Classification: L83

I. INTRODUCTION

The French corporation „Club Med”, founded in 1950, developed the „all-inclusive” system to an international level, during 1960-1970, under the title „Vacation Club”.

This system has been implemented for the first time in Caribbean, more exactly in Jamaica, afterwards, it has been extended rapidly in different part of the globe. Turkey is one of the countries in which this system has been intensely promoted, but also other destinations as Tunisia, Egypt, Greece, Bulgaria, Spain have plenty of offers. The hotels on the Mediterranean Sea shores from Turkey got specialized in this type of tourist offers, Turkey becoming a very appreciated destination for those who purchase a stay and want, generally, a rest holiday.

The all-inclusive system represents putting into practice a system of marketing and of fixing prices, in which all the services, like: breakfast, lunch, dinner, room service, relaxing activities, sometimes even the transport, are included in a pack with a fixed price.

By using such a system, it can significantly reduce, on one hand the difficulties of organizing a holiday on your own, on the other hand, from the point of view of a tourist unity manager, we can reduce the customers' complaints, as long as these ones are informed about the contents of the purchased tourist pack.

Of course, there are some inconvenients too, which however have less importance in the perception of tourists who choose this type of tourist packs, more specifically, the users of the system must eat to the same restaurant with little daily menu modifications, and they must limit to the activities included in the pack offered by the tourist unities that apply this system.

One of the important factors regarding adopting such a system is the dimension of the tourist unities. It is possible to be applied, usually, only within the unities of big dimensions, because the significant discounts in buying the food, drinks and other products are offered for great quantities.

The practice has indicated that, generally, those who prefer the all-inclusive system are people who choose stays, who come to rest and less to go sight-seeing.

Thus, this system would be less appropriate to an active person, willing to walk all the time and who prefers to make a very diversified and particularized schedule or who prefers to have an intense nightlife during the whole stay. Also, in disadvantage are the tourists who, from a certain reason are on a diet or who follow a specific diet. For these categories of tourists it is better to choose another option of holiday.

In 2000, Master and Prideaux published a study, intitled *Culture and vacation satisfaction: a study of Taiwanese tourists in Sought East Queensland*, where they have pointed out the fact that the cultural differences do not represent an important factor regarding the satisfaction level of the tourists concerning the all-inclusive system, the high levels of satisfaction are always related to the quality of the offered services.

Valhouli (2003), in virtue of the results of a survey realised by the Anderson Consulting company, has pointed out that the institutions that apply the all-inclusive system can get a series of discounts of the labor force costs, but also the increase of some other categories of expenses. However, the research results indicated that the profitability line of these tourist unities varied from 35% to 40% while, in the case of the unities that had implemented other systems, the profitability indicator was situated around the 25% value.

Although, it must be noticed the fact that not all the participants from the tourism branch are satisfied with the application at a large-scale of this system. Summing up, firstly, the sales function is, generally, realised in the countries where the customers have the residence, thus, the system cannot provide enough benefits for the country where the tourists go on holiday. The all-inclusive system implemented within some tourist unities from a tourist resort do not encourage the appearance and the development of other businesses, in different systems as the restaurants and other entertainment centers, which could be preferred by the tourists.

Aichholzer (2003), taking into consideration the future expectations, respectively the trends concerning the e-tourism services, appreciated that in the future it would exist an increase of the number of persons with over average incomes, but with less and less time resources, and in this way people will tend to prefer those services that attenuate the stress of the activities of planning a holiday. Taking into account all these aspects, the author considers that the all-inclusive system will register a more and more important demand, especially by the electronic commerce.

II. THE POSITIVE AND THE NEGATIVE ASPECTS OF THE ALL-INCLUSIVE SYSTEM

At the present, there are discussions within the whole tourist industry of the world regarding the general field of the all-inclusive systems and their effects on the regional economies.

Generally, the positive aspects of the all-inclusive system are resumed as it follows (Çiftçi 2007):

- ✓ All the unexpected expenses that the customers face during the holiday are eliminated.
- ✓ This allows to the tourists to spend their holiday in a foreign country safely, without being cheated.
- ✓ This increases the occupancy rate of accommodation unities.
- ✓ It has a positive effect on the indicators related to the labor force occupancy in the respective country.
- ✓ It represents a very efficient marketing instrument in the promoting activity undergone by the tourist agencies and the tour operators, for the tourist unities.
- ✓ Because the system increases the tourist circulation, it can be an essential resource to obtain currency in the host countries.
- ✓ The tourist unities that apply the all-inclusive system are eligible to extend the offered stays to high periods of time, between 15 and 30 days.
- ✓ The profitability rates are, generally, higher than in the case of other systems, especially in the rush periods regarding the tourists influx.
- ✓ Being created conditions for the tourists to spend most of their time within the area of the tourist unity, it increases the possibility that these ones purchase products/services that are out of the contracted tourist pack.
- ✓ Having in view the fact that the services offered to the customers are clearly defined, the supervising and the control can be relatively easily realised.
- ✓ This system has advantages for the couples who have children by providing various activities for the last ones.

The negative aspects of the all-inclusive system are presented below:

- The customers, in some situations, cannot have exact information about what is included and what it is excluded from the fixed priced pack afferent to the all-inclusive system.
- The tourists, who stay in the hotels which apply the all-inclusive system, present a low probability to go shopping in other locations.
- The tourists, generally, tend to spend most of their time in the hotel, and, thus, they will not have the possibility to obtain enough information about the historical context and the social structure of the region where they are accommodated.
- The tourists who spend most of their time in the hotel's area, are susceptible to suppose that any aspect related to difunctionality found within the hotel may be found also in the town (for instance, the absence of a certain food type or of a type of drink).
- There is the suspicion that the hotels which apply this system, in order to increase the profit, could reduce the quality of the services. Also, this system can generate a disloyal concurrence and, as a consequence, the interest for the unities that give attention to the quality may reduce. In other words, the all-inclusive system has increased the consumption of food and drinks in the hotels and this has proved to be the main categories of expenses. Concerning this, the efforts to reduce these costs can lead to a tendency of the hotel owners to purchase products of an inferior quality. Although, the quality of the food, drinks and services seems to be the most important factor for the tourists who prefer this system.
- In some accommodation unities, the staff may treat the tourist unprofessionally and they may accuse them of their low income, respectively, of the difficult work conditions.

III. THE CHARACTERIZATION OF THE IMPLEMENTATION OF THE ALL-INCLUSIVE SYSTEM IN ROMANIA

In Romania, due to the fact that the hotels, by their construction, haven't been designed to offer a large range of services and/or facilities, we find, generally, tourist offers that include only the restaurant services: breakfast/ half board/ full board.

The implementation of the all-inclusive system in Romania was realised in a shy manner, the hotel owners being reticent to adopt this system. Even at the present there is no offer to respond to the existent demand in the Romanian market. The institutions that offer all-inclusive services are found mainly on the Black Sea coast. Two five stars hotels, five four stars hotels and other seven three stars hotels, these are the accommodation unities that had all-inclusive offers during 2013 on the Romanian coast, having in view that this system attracts every year 120.000 Romanians in the complexes from the Turkish, Bulgarian and Greek coasts.

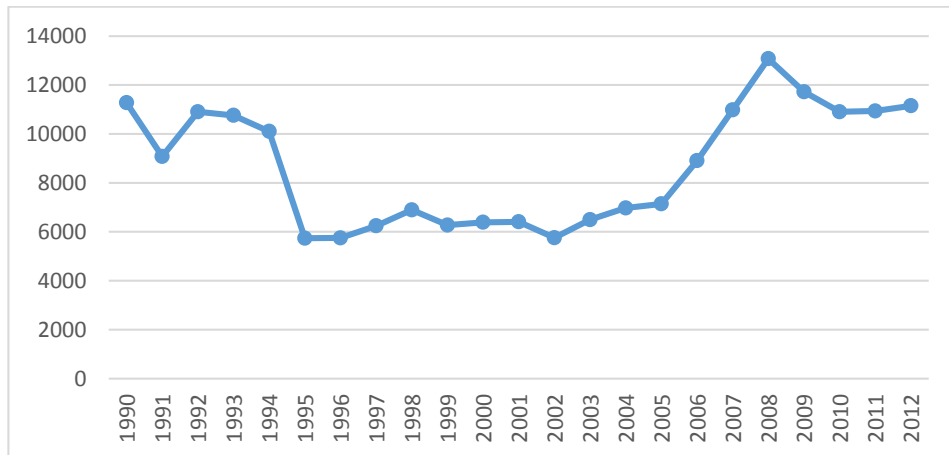


Figure 1 - Departures of Romanian visitors abroad - thousand persons

Source: National Institute of Statistics, Romania, 2013

As it can be noticed in the figure 1, after a high decline during 1990-1995, a stagnation at a minimum value for the period 1996-2005, beginning with the year 2006 it followed an ascendant trend regarding the Romanian tourists' appetite for the abroad destinations. Mostly, they chose the all-inclusive system due to the offered security concerning the costs, respectively to the offered guarantee concerning the contracted services.

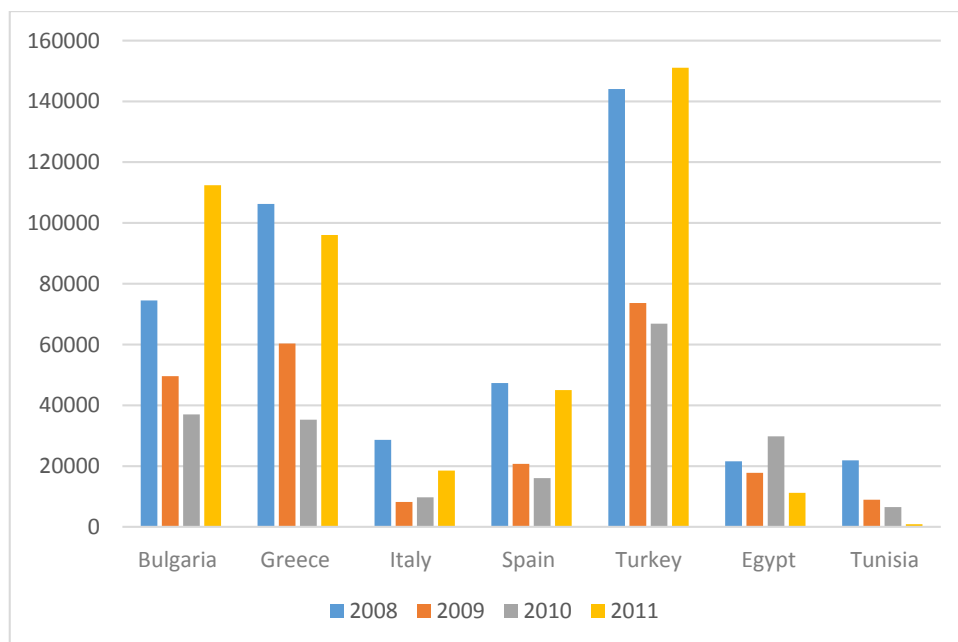


Figure 2 - The number of Romanian tourists participate in foreign actions organized by tour operator travel agencies, by countries of destination - Number of people

Source: National Institute of Statistics, Romania, 2013

The favorite destinations, according to the National Institute of Statistics, for the period 2008-2011 were: Turkey, Greece, Bulgaria, Italy and Spain. The presented classification is available concerning the contracts concluded by the tour-operator agencies, and concerning as well the contracts concluded by the retailer agencies.

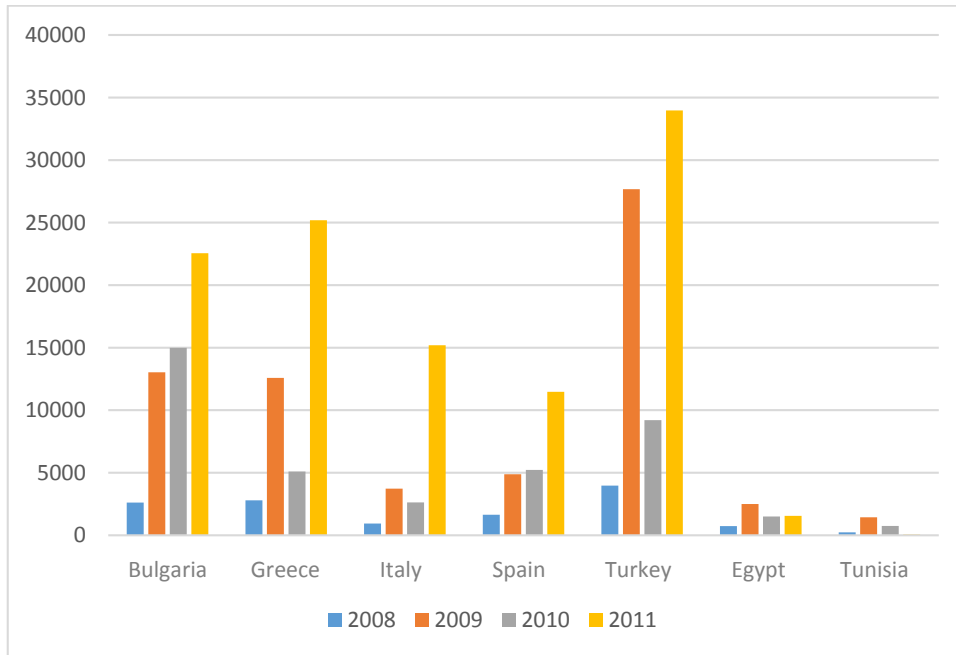


Figure 3 - The number of Romanian tourists participate in foreign actions organized by retailer travel agencies, by countries of destination - Number of people

Source: National Institute of Statistics, Romania, 2013

According to the data centralized by the National Association of the Tourist Agencies (ANAT) in 2012, in the all-inclusive hotels from the Romanian coast existed 1.959 accommodation places, and in 2013 another two hotel complex opted for this system, increasing the number of all-inclusive places with 56%, to 3.065.

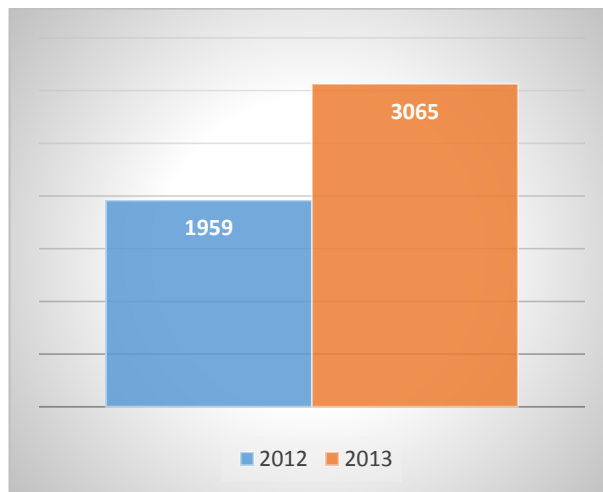


Figure 4 – Evolution of all-inclusive accommodation for 2012-2013

Source: National Association of the Tourist Agencies

In 2012 in the all-inclusive structures from the Romania coast arrived about 40.000 people, most of them couples with children. In 2013, due to the supplementation of the number of places, was estimated a number of the all-inclusive accommodation on the coast around the value of 62.000 of tourists.

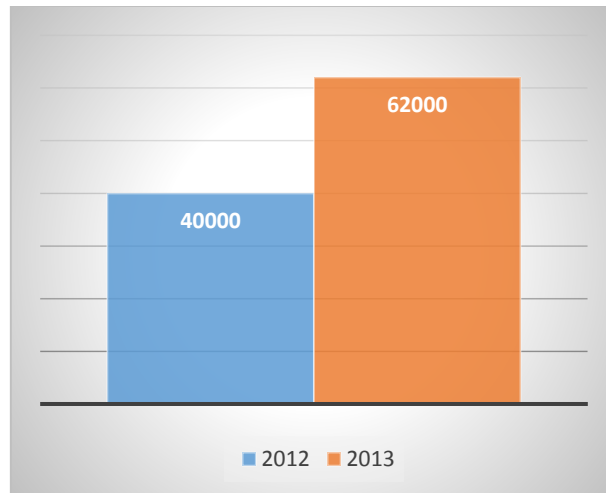


Figure 5 – Evolution of the number of tourists staying in all inclusive accommodation for 2012-2013

Source: National Association of the Tourist Agencies

The all-inclusive concept in Romania varies from a hotel to another, depending on the number of stars and on the price. Some hotels include certain services and facilities offered to the tourists such as free access to sauna, free chaise lounges on the beach, free access to the gym, free WiFi in lobby, entertainment activities for children and different night shows for adults and also optional trips.

According to the representants of the National Agency of Tourism (Iancu, 2013), the demand volume for the all-inclusive services is on an ascendant trend, for locations of this kind outside our country, at the present, the increasing rhythm has grown, forasmuch the Romanians secure their budget, and through the all-inclusive system they manage to do this in a better way. The value of the services consumed during an all-inclusive holiday is lower with at least 10-15% than if these services would be consumed in parts of different locations.

The Romanian tourists who want to purchase all-inclusive tourist packs in Romania are, generally, ex-customers of similar services abroad and, consequently, they don't match in the market segment of the other hotels. According to the statements offered by the owners of all-inclusive system hotels, the Romanian tourists' category who prefer this system is represented by the families with at least one child.

The economic crisis and the petrol price that have exploded determined the Romanian tourists to stay in their country and look for an all-inclusive alternative within the Romanian resorts.

The representants of profile associations are optimistic and estimate that the all-inclusive segment will develop in the near future, especially because in Romania there are prices with 10% to 20% lower than in the similar market from Bulgaria.

IV. CONCLUSIONS

Generally, the specific of the infrastructure of the tourist unities from Romania did not allow the implementation of the all-inclusive system at a large scale. Nevertheless, the demand for such tourist packs from the Romanian tourists, is on an ascendant trend and the representants of the Romanian tourism cannot be indifferent to this thing. Generally, this demand has been satisfied and it still is, mostly, by the foreign tourist destinations.

The hotel owners from Romania and the profile associations have undergone a series of programmes destined to develop the adopting of this system in a greater measure. Even if, at the present, the only tourist area where we find tourist unities with all-inclusive tariff system is the Black Sea coast, the perspectives and expectations of the representants from the Romanian tourism branch are optimistic concerning the increase of the adopting rate of this system.

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