

## PROCEDURAL PARTICULARITIES OF CREATING AND VALUATING A TOURISM PRODUCT

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**Abstract:** *The main categories of execution processes conducted by tourism and travel service organizations refer to: productive and service activities, commercial activities, financial, accounting, quality control and efficiency assurance activities. The design and implementation process of a tourism product is strongly influenced by a set of tangible and intangible elements, meant to ensure its actuality and compatibility with the customers' demands and preferences. The commercial activities include, procedurally, some specific operations relating to: product marketing and promotion; contracts; purchase - sale and tourist transport. On their turn, the financial and accounting activities show peculiarities resulting from the activity object of each company.*

**Key words:** *tourism product, tourism product creation, tourism product valuation, processual components, objectives.*

### INTRODUCTION

According to the literature, all work processes within a system, including the tourism organization, "can be divided into two main categories: management processes and execution processes" [7].

The objective of this paper is to approach, in terms of management, the execution processes of tourism and travel service organizations, analyzing its component activities - in their capacity of processual components of the organizational system of a company. The study focuses mainly on creating and then valuating the tourism product and aims to identify the managerial particularities of activities involved.

### MATERIALS AND METHODS

The execution processes represent a set of technical - economic, commercial, legal, financial - accounting etc. operations, through which the process of creating tourism products and tourism services may be accomplished, according to the particularities of work processes involved and expected goals, over a certain period of time [9].

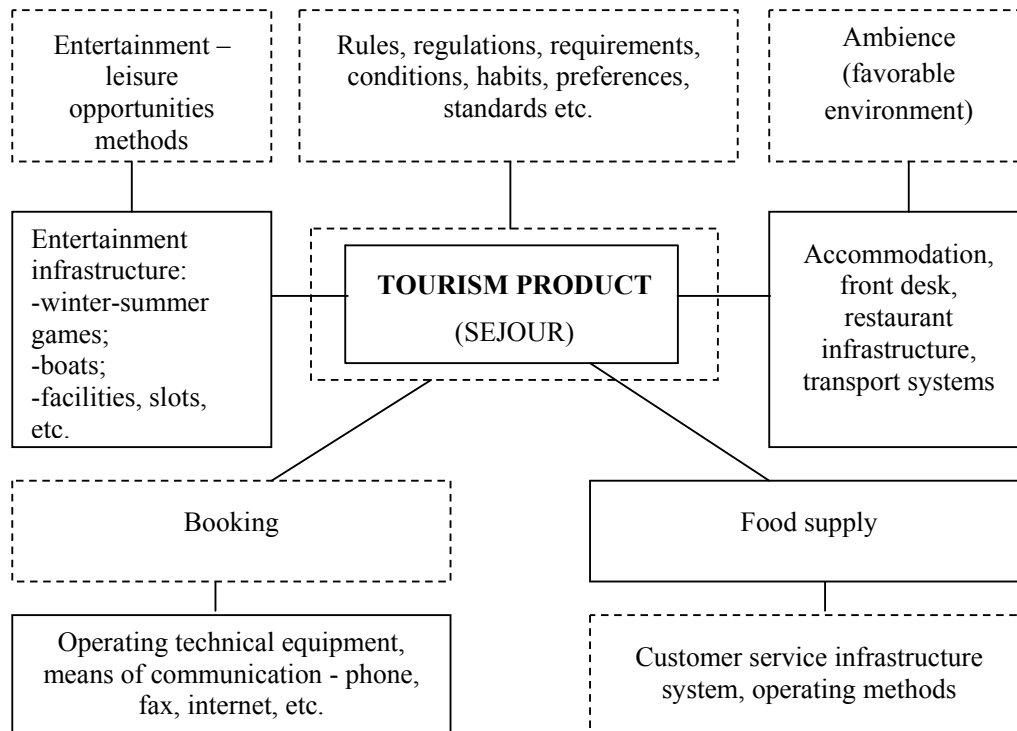
According to the literature [3], the tourism and tourism service organizations include the following main execution processes, according to their objects of activity:

- Economic, production and service activities, which consist of:
  - creating and valuating tourism products;
  - ensuring all supply - production facilities;
  - food production and restaurant, bar, buffet services;
  - accommodation services;
  - providing related activities.
- Commercial activities, including operations such as:
  - product marketing and promotion;
  - contracting;
  - purchase-sale;
  - tourist transportation.
- Financial and accounting, quality control and efficiency assurance activities.

This paper focuses on analyzing the managerial particularities of the activities involved in creating a tourism product (within the production function) and in close correlation with this, the activities of promoting tourism products (within the commercial function). The specific mechanisms are represented as schemes to highlight the sequence and particularities of the operational activities involved.

## RESEARCH RESULTS

In our opinion, within the category of **economic-productive activities**, the activity of **creating a tourism product** is the most complex stage in technical and economic terms, because within the process of defining and achieving, the tourism product is determined by a set of tangible and intangible items that must be taken into account, both at the stage of creation, as well as that of valuation. These elements are required by the need to ensure up-to-date tourism products, both in the initial defining approach and their permanent redefining, in order to meet the customers' requirements or preferences. This set of elements is represented schematically in Figure 1.



**Fig. 1 The tourism product – valuation system, under the effect of tangible ( ) and intangible ( - - - - - ) elements that influence the condition, quality and validity period on the competitive market**

As this figure shows, tourism product creation and valuation (in this case - *the sejour*), is influenced by two types of elements responsible for the condition, quality and validity on the competitive market:

- a) **tangible elements** including:
  - the accommodation, front desk, restaurant infrastructure, and transport system;

- the functional-organizational system of food supply;
- the entertainment infrastructure – winter and summer games, boats, slots, etc.

b) **intangible elements**, which are, more or less, directly or indirectly, important forms (states, conditions, events, etc.) through which the tangible elements ensure product valuation under best conditions for tourists' satisfaction.

Tourism product creation and valuation is a complex process, having the following phases or stages:

1 – Product design, execution, operation – these activities are carried out through:

- product design, documentation, execution;
- investments - constructions;
- installation and operation;
- meeting projected parameters.

2 – Product operation - valuation tourism system (product) availability.

3 – Product development - modernization, diversification.

► The **specific operations** of each stage of product creation and valuation are identified from an organizational perspective and included in:

- operation plans;
- works programs;
- system and work procedures;
- technological sheets on phases and operations.

It should be noted that the *tourism offer* coverage is much wider compared to that of production, that usually resumes to all processes that change and turn resources into tourism products [6]. The process of making a tourist offer requires that people in charge should know the operations that emphasize:

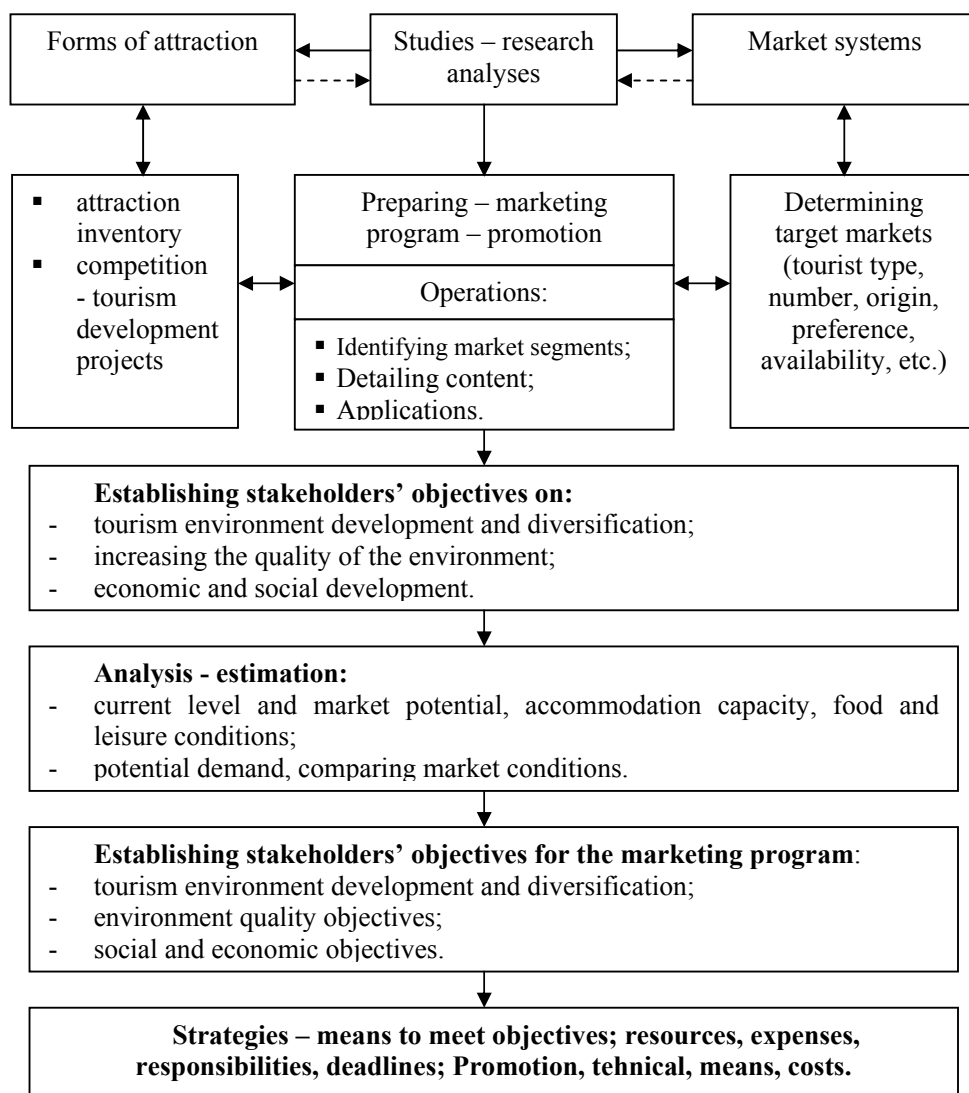
- the tourism potential of a particular geographic area, with all features related to structure, valuation and capacity, that has a decisive role in terms of offer in relation to the stage of tourism development in the respective area;
- the material base and technical equipment – accommodation, food, entertainment and so on systems and conditions;
- the system of service delivering – the staff involved and their qualifications;
- the related services, the tourism consumers benefit from, at their own initiatives or as additional activities etc.

► The **specific operations** of tourism offer development are provided by special rules and procedures, based on:

- market studies and research;
- collaborative partnership agreements;
- technical documentation - accommodation, food, entertainment and so on conditions and systems;
- documentation on human resources;
- offers regarding related services, etc.

Among the **commercial activities**, the **product marketing - promotion** meets all commercial operations that provide analysis in order to know the size of certain markets (tourist areas) and its acceptance by consumers, using techniques and instruments to promote the tourist offer.

The main tool of product marketing - promotion is the **marketing plan** that contains all the goals to be achieved and the related strategies to meet them.



**Fig. 2 The mechanism of planning-promoting a product on the tourism market, based on a marketing program**

■ **The objectives** of the marketing plan may be structured on periods, according to their importance as follows:

- specific to the current activity;
- on medium term;
- on long term.

■ **The strategies** set out the *main ways of achieving the objectives* on medium and long term, together with the allocated resources in order to gain competitive advantage over competitors. They refer to the following main aspects:

- the *image* content of the market or area to be promoted;
- possible *obstacles* that have to be overcome;

- the relation marketing effort - attraction, development, tourist area facility;
- types of techniques and instruments available or imposed by the tourists' information on the tourism offer;
- prioritizing promotional activities according to the particularities and opportunities of the tourism market.

In order to increase the attractiveness to consumers, the tourism organization or the stakeholders have to concentrate and operate in consequence on the elements of tourism planning, a fact that generally can be synthesized as shown in Figure 2.

The problematic content of the tourism product planning-promoting mechanism on the tourism market, as shown in Figure 2, implies:

a - identifying and inventorizing all forms of tourist attraction manifestation and current or potential tourism activities; assessing stage and specific conditions;

b - knowing and classifying all stakeholders' tourism objectives. Among them, the prior objectives refer to:

- the general development of the community;
- providing infrastructure and quality imposed by the need to protect the natural environment;
- identifying, implementing and operating under the European standards in terms of profitability, quality and efficiency of the economic, social, cultural, and environmental goals.

c - analyzing and estimating the probability level of tourist market demand, accommodation availability, complexity, quality and efficiency of services that customize stakeholders' infrastructure;

d - expressing and quantifying the facilities within the operational environment of the the tourism product; identifying new opportunities to support strategies of attraction increase in future periods;

e - determining the market segments that tend to increase in tourist number; quantifying potential tourists and target markets;

f - making strategies to reconsider the marketing objectives of product development - diversification, based on data and information provided by forecasts;

g - designing and implementing techniques and means to promote tourism programs; quantifying costs - results, efficiency.

## CONCLUSIONS

The main categories of execution processes conducted by tourism and travel service organizations refer to:

- productive and service activities;
- commercial activities;
- financial, accounting, quality control and efficiency assurance activities.

The activity of *creating a tourism product* is conditioned by a set of tangible (infrastructure, accommodation, front desk, facilities, transport system, etc.) and intangible elements (customer service system, operation methods, environment, requirements, circumstances, habits, preferences, standards, rules, regulations, etc.) required by the need to ensure up-to-date tourism products, in order to meet the customers' requirements or preferences.

Closely related to it, the activity of *product marketing - promotion* follows a specific mechanism which summarizes all objectives to be achieved and their strategies, according to a marketing plan. In case of the promotional techniques in terms of the marketing

program, their great variety allows the travel agent to qualify its activity according to the most efficient standards in this field.

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