



Versatile Hospitality Industry around the Globe A Case Study on Development and Challenges in Hospitality Industry – Turkey

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Abstract: *In recent years, the hotel market in Romania has had a positive evolution in terms of hotel transaction values and tourism demand. The latter has been supported by the fast development of air transportation, especially by low-cost companies, which doubled Romania's air traffic over the last decade. In 2020, because of the coronavirus (COVID-19) outbreak, the Romanian hotel market recorded one of its lowest revenues, totaling around 514 million U.S. dollars. However, by 2025, the hotel segment is forecast to generate a revenue of over one billion U.S. dollars for the first time. One peculiarity of the Romanian hotel market, and possibly one advantage in the context of the coronavirus pandemic, is that compared to other hotel markets from CEE countries, the Romanian one is not as dependent on international tourism. In other words, approximately 80 percent of tourist arrivals are domestic. In Romania, the hotel segment generated a revenue of approximately 299 million U.S. dollars in 2021. According to the Mobility Market Outlook, this value will increase to an estimated 1.1 billion U.S. dollars by 2026, surpassing one billion USD in revenue for the first time. The market value of luxury hotels in Romania maintained a relatively constant value from 2015 to 2019. However, the market value of 5-star hotels in 2020 decreased by approximately 50 percent compared to the previous years, amounting to 57.3 million Romanian lei.*

Keywords: Hospitality industry, government, transformation, skill acquisition, job satisfaction

I. INTRODUCTION

1.1 Cuisine & Culture.

[1] In the history of Romanian culinary literature, Costache Negruzzi and Mihail Kogălniceanu were the compilers of a cookbook "200 rețete cercate de bucate, prăjituri și alte trebi gospodărești" (200 tried recipes for dishes, pastries and other household things) printed in 1841. Also, Negruzzi writes in "Alexandru Lăpușneanu": "In Moldavia, at this time, fine food wasn't fashioned. The greatest feast only offered a few types of dishes. After the Polish borș, Greek dishes would follow, boiled with herbs floating in butter, and finally cosmopolitan steaks".

Cheese has been a part of Romanian cuisine since ancient history. *Brânză* is the generic term for cheese in Romanian; it is originally a Dacian word. Traditional Dacian cuisine included vegetables (lentils, peas, spinach, garlic) and fruits (grapes, apples, raspberries) with high nutritional values. The Dacians produced wine in massive quantities. Once, Burebista, a Dacian king, angered by the wine abuse of his warriors, cut down the vines; his people gave up drinking wine. Legend says that the Dacian people created their own beer. Romans helped introduce different pastries made with cheese, including *alivenci*, *pască*, or *brânzoaice*. They also introduced different variations of millet porridge. Maize and potatoes became staples of Romanian cuisine after their introduction to Europe. Maize, in particular, contributed to health and nutrition improvements of Romanians in the 16th and 17th centuries, resulting in a population boom.

For about three centuries, Wallachia and Moldavia, the two medieval Romanian principalities, were mildly influenced by their various neighbors, like the Ottoman Empire. Ottoman cuisine changed the Romanian table with appetizers made from various vegetables, such as eggplant and bell peppers, as well as various meat preparations, such as *chiftele* (deep-fried meatballs, a variation of kofta). The various kinds of *ciorbă* and *meat-and-vegetable stews*, such



as iahnie de fasole (*beans*), ardei umpluți (*stuffed peppers*), and sarmale (*stuffed cabbage*) are influenced by Turkish cuisine. The Romanian tomato salad is a variation of the Turkish çoban salata.



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[2] Romanian cuisine (Romanian: *Bucătăria românească*) is a diverse blend of different dishes from several traditions with which it has come into contact, but it also maintains its own character. It has been mainly influenced by Turkish and a series of European cuisines in particular from the Balkans, or Hungarian cuisine as well as culinary elements stemming from the cuisines of Eastern and Central Europe.^[1]

Romanian cuisine includes numerous holiday dishes arranged according to the mentioned season and holiday since the country has its roots in the Eastern Orthodox Church. Romanian dishes consist of vegetables, cereals, fruits, honey, milk, dairy products, meat and game.^[1]

Multiple different types of dishes are available, which are sometimes included under a generic term; for example, the category *ciorbă* includes a wide range of soups with a characteristic sour taste. Variations include meat and vegetable soup, tripe (*ciorbă de burtă*) and calf foot soup, or fish soup, all of which are soured by lemon juice, sauerkraut juice (*zeamă de varză*), vinegar, or *borș* (traditionally made from bran). The category *țuică* (plum brandy) is a name for a strong alcoholic spirit in Romania.



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1.2 Sustainable Tourism

[3] Tourism represents one of the fast-developing sectors in Europe. The economic, political and demographic changes indicate that the proportion of common expenses for tourism is increasing fast, but the political measures for promoting long-term tourism advance slowly. It is well known that there is a tight interdependence between the global economic growth, the structure of the economy, the use of natural resources and the changes in the environment. The economic activities using natural resources modify the environment; moreover, the nature of this change also determines the way in which these activities will take place in the future. People's welfare results not only from economic activities, but also from the joy the environment, in its broadest sense, can generate. As a distinct sub-field of economy, tourism develops in complex and very diverse forms. Therefore, tourism became a growing burden for the environment because of the use of water, soil and energy, of the development of the infrastructure, of buildings and facilities, because of pollution and waste, of soil fragmentation and the increase of the number of secondary residences. In some popular destinations, these pressures have caused a severe degradation of the local environment, which in turn affects the tourist interest of these places. Some countries that used to be little visited in the past, especially in Central and Eastern Europe, such as Romania, are becoming more and more attractive due to their economic transition and opening of borders, which provides them with huge potential for the development of tourism. The holiday spending model changes, as pauses are shorter and people travel more often for shorter stays, and visit places that are more remote from their home. The price of trips continues to lower, and at the same time the tourism quota in common expenses grows. This should not make us forget, as Norbert Suchanek says, that there are "three tourist tendencies extremely dangerous for the environment and for the social and economic situation in the developing countries" that have expanded, that is, an increase in the number of plane travellers, of all-inclusive holidays and of cruises. Tourist experience has proved, in time, that irrespective of the type of tourism practiced, in general there result a series of impacts felt both by the society and at the level of the natural environment. The development of tourism in a certain area must not affect however the socio-economic interests of the resident population, nor those of the environment and, especially, of the natural resources that represent the main attraction, together with historic and cultural sites. Long-term development of tourism is especially apparent in the following three important fields: economy, ecology and society and culture. Long-term tourism can be implemented with tourist development, which must be supported under an ecological aspect, viable and profitable from an economic point of view, and balanced from an ethical and social point of view for the local population. In this context, we aim in this paper to identify the tendencies manifested through opportunities and threats for long-term tourism in Romania, considering that numerous supporting and financing actions for tourism are the focus of Europe and the entire world.

[4] In 1986, The United Nations established the World Commission on Environment and Development, whose purpose was to study the dynamics of environmental deterioration and to offer solutions regarding the long-term viability of human society. The Commission, chaired by Gro Harlem Brundtland, the Prime Minister of Norway, adopted the Brundtland Report, "Our common future", which later became a reference document, that was the first to employ the term "sustainable development". This report points out that economic growth often leads to deterioration, not to improvement of the quality of people's lives, and therefore considers that it has become absolutely necessary to have "a sustainable development that would meet the present needs without compromising the ability of future generations to meet their own needs". The Commission stressed the existence of two major problems: • Development means not only greater profits and higher living standards for a small percentage of the population, but also an evolution of everybody's living standard; • Development should not imply destroying or inappropriately using our natural resources, nor polluting the environment. The message of this report can also be found in "the 3rd Principle" of the Rio Declaration on Environment and Development (June 3-14, 1992) according to which "the right to development has to be exercised so as to meet, equally, the needs for development and for environment of future generations". In 1992, during the Summit of Rio, which reunited 120 state executives, the problems regarding the environment and development are again debated. Sustainable development represents: "a new method of development that supports human progress for the entire planet and for a long future". In 1992, it seemed incontestable that the great meeting at Rio will not remain fruitless. It was stated more than once that after the Rio meeting mankind should be different, think differently and act differently. This represented an acknowledgement by the state leaders and by public opinion in general that the protection of the environment and of



nature is not a fantasy imagined by romantics, but an acute necessity for immediate action in several directions. With this occasion, a series of documents are drawn, which provide the frame for future international collaborations. The present nations agreed on a complete sustainable development plan, also called Agenda 21, and on two sets of principles: the Rio Declaration on Environment and Development and the Statement of Forest Principles. Agenda 21 demonstrates that mankind is at a crucial moment of history, confronted with an aggravation of the problems related to poverty, famine, diseases, and with a continuous deterioration of the environment on which our existence depends, and that in order to surpass this moment we need to unite our forces at a global level, through a partnership for sustainable development. Agenda 21 offers guidance for governmental and business policies as well as personal guidance, and it includes four sections: 1. The social and economic dimension (fighting poverty, changing consuming habits, protecting and promoting people's health, etc.). 2. Preservation and management of development resources (protecting the atmosphere, fighting against forest clearing, the management of ecosystems, preserving biodiversity, protecting the oceans, seas, sweet waters, stopping the illegal traffic with toxic or dangerous substances, etc.). 3. Strengthening the role of great groups (involving children and young people in sustainable development, strengthening the role of non-governmental organizations, supporting Agenda 21 by the local authorities, strengthening the role of workers and unions, strengthening the role of farmers, of the scientific and technological community, etc.). 4. Means of application (financial resources and mechanisms, promoting education and public awareness, etc.). The Rio Declaration on Environment and Development includes 27 principles that state the rights and obligations of nations in their tendency towards development and augmenting the living standard. The main ideas mentioned here are: people have the right to a healthy and productive life in balance with nature; nations have the sovereign right to exploit their own resources, without however destroying the environment outside their borders.

"The Statement of Forest principles" is a guide on the management, preservation and sustainable development of forests of all kinds, admitting that forests are of vital importance for economic development and for the preservation of all life forms. To this purpose, all countries should take actions for reforestation, preventing clearings, and preserving the existing forests. The declared purpose of The Conference of the century was to establish a new strategy for economic, industrial and social development in the world, all included in the name of sustainable development. Of significance in what concerns the goal of the conference was its name itself. If the "UN Conference on environment" was organized in Stockholm, in Rio took place the "UN Conference on environment and development", as a result of the observation that environmental deterioration is irreversible and growing because of the ascending progress of industrial development.

2. Pros and cons for developing sustainable tourism

Tourism has become the greatest export industry in the world, recording since 1986 an income of over 500 billion USD. This "industry" allows a statistics of 700 million vacations spent abroad, plus 2.3 billion tourists who spend their holidays in their own country. The World Tourism Organization approximates the annual total income of this industry at 1.7 billion USD. On the way towards a sustainable world society, this industry plays therefore an extremely important role. According to a study made by the World Tourism Organization, most large tourist companies have used for several years a specific language, employing terms such as "ecotourism" or "sustainable tourism". At the same time, the study shows that there are three growing tourist tendencies extremely dangerous for the environment and for the social and economic situation: an increase in the number of flights, all-inclusive holidays, and cruises. [5] There is a close interdependence between the global economic development, the structure of the economy, the usage of natural resources, and the changes in the environment. Economic activities modify the environment, using natural resources; the nature of this change determines how these activities will be accomplished in the future. Also, the welfare of people does not come exclusively out of economic activities, but also from the joy the environment in its widest sense can bring. In the last decades, the interdependence between economic activities and the environment has taken new shapes:

- à The usage of natural resources grew, so that exhausting a resource has become a real threat.
- à The new technologies used in agriculture, industry, and transportation spread rapidly, some of them considerably changing the quality of air, water, soil, and ecosystems.
- à The volume of waste and its variety largely increased.
- à The production of dangerous or toxic materials increased the frequency of accidents and created new risks for the health of the people and of the environment.

In the research lead by a German author 2 regarding flights, the examples are the ones presented in the box below:



1.3 Modernisation & Modification.

- Bucharest is one of the most developed markets in the region on the five star segment JW Marriott, Athenee Palace Hilton, InterContinental, Crowne Plaza, Howard Johnson and since spring 2008, Radisson SAS.
- The target market are represented by business people. Rack prices place Bucharest on the third place after Moscow, at 200 Euros per night, with a decline in the trend since 2007.
- Analysis made on the hospitality business show that in Bucharest there is enough demand for almost 2000 luxury rooms, especially when high class events take place. Kempinski, Four Seasons and Mandarin Oriental are just some of the international luxury brands interested in Romania. Four Seasons now holds hotels in Budapest and Prague and Mandarin has recently opened in Prague, with Moscow to soon follow. Kempinski owns hotels in Budapest, Sofia and Moscow and added a new hotel in Prague in 2008.
- The occupancy rates for the five star hotels have been around 65 during the first 9 months of 2008, dropping to 50 percent during the last months of the year. This trend will continue in the same direction in 2009, especially for the Radisson and Howard Johnson hotels.
- Hilton announced its first franchise hotel in Romania Palace Resort Spa in Sibiu. This decision is quite peculiar judging from where it is located and how it is equipped. A positioning like Hilton Garden Inn could have been better.
- The most expensive and luxurious hotel in Romania, Carol Parc Hotel, has registered good performances in 2008, having had some exceptional VIP guests. The global crisis also affected Carol Parc, starting with November 2008.
- Romania is one of the most luxury-based countries from Eastern Europe, due to economic growth and Latin origin of the people. More and more people show off with the brands that they buy. The same pattern can be applied on the hospitality market, for the five star cafes, ballrooms and shopping galleries in the hotels.

II. SUMMARY

- The most attractive project is Casa Radio with a five star hotel that would include 200 rooms. Elbit Medical (Israel) announced at the beginning of 2008 that they closed a deal with REZIDOR, the deluxe division of Radisson SAS, for Plaza Center Complex. Elbit Medical announced in January 2009 that the project would halt for a couple of months, because of the international crisis. The developer would concentrate on opening smaller Malls in Romania, which would not require big investments.
- In 2008, Cefin Holding announced the opening of a 400 room hotel on Barbu Vacarescu Boulevard, scheduled for 2010. This is following the signing of a management contract with Swissotel. The hotel will have the biggest SPA and health club in Bucharest, covering 4000 square meters. Swissotel officials have confirmed for CPP that they don't have any hotels opening in 2009/2010. The crisis might have forced Cefin to revise the strategy for this project, which is also relying on office spaces.

- Starwood has been unable to confirm its Le Meridien / Sheraton franchise for the Calea Victoriei building currently under construction (near Casino Palace) due to a legal dispute between The Romanian state Post and the Comnord private company that is developing the site. Works have began enthusiastically, but the November change in political governance has put a halt on the construction.

III. CONCLUSION

- Positioned in a central area, Grand Hotel du Boulevard, was supposed to be past the process of restoration and renovation by the end of 2008. However, this did not happen. Having 89 rooms individually decorated and the best of services, Grand Hotel du Boulevard hoped to be part of an international luxury hospitality chain. The hotel is located on the corner of Calea Victoriei and Elisabeta Boulevard and will have a small shopping gallery at the ground floor. Most likely the holding that owns the hotel has revised its strategy, as fewer banks nowadays are willing to finance projects like this one without a franchise contract or international management chain.
- Opera Plaza Hotel in Cluj is no longer the only five star hotel outside of Bucharest. Aurelius Imparatul Romanilor is the new five star hotel in Poiana Brasov. This hotel is owned by the chain Imparatul Romanilor. Unfortunately, its opening coincided with the peak of the crisis and apparently the management is having a hard time in attracting customers.
- The Romanian seaside now has two five star hotels, with Vega being the most recent one, opened in Mamaia. However the leader remains Grand Hotel Rex, which is open all over the year. The hotel owners have invested in 2008 in making a lounge and restoring several apartments.



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