

TOURIST SUPPLY - COMPONENT OF THE TOURIST MARKET

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Abstract

The market, an essential element of any economic activity, has a fundamental role in regulating the economic mechanism, in achieving its equilibrium and in its proper conduct, and verifies in the final process the extent to which the various activities are in line with the real needs of society.

Globally, the market becomes a barometer for assessing the coordinates of the evolution of any activity, and knowledge of the characteristics and understanding of the functioning of the market is the basis for accurate information on future achievements and chances.

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The market is defined in the research literature in many variants in terms of form but essentially as the place where the act of selling or buying products or services is carried out:

In economic theory, according to the content attributed by the Dictionary of Political Economy, the market represents: "the economic category of commodity production which expresses all the acts of sale-purchase viewed in the organic unit with the relations it generates and in connection with the space in which they unfold."

Constantin Florescu presents a more complete definition of the market as "the economic sphere in which production (of material goods and services) occurs in the form of a supply of goods, and consumer (solvable) needs - in the form of demand for goods; the market is the sphere of manifestation and confrontation of supply and demand, of their realization through sale and purchase."

Raymond Barre points out that "the market is understood as the network of relationships that are formed between those who change and who are in close communication by any means."

Marc Benoun defines the market as "the set of people who consume or are likely to consume a given product or a service given in a particular geographic area."

Philip Kotler argues that the market is made up of "all customers capable and willing to make an exchange that would allow them to meet a need or desire through a product".

1.1. The content and characteristics of the tourist market

Named in the research literature tourist market, with specific definitions and features, it comprises two major components: demand and supply.

Tourism, as a socio-economic domain, belongs to the category of those offering "invisible" abstract products, that can be defined qualitatively and quantitatively only partially and indirectly.

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„Tourism has a number of typical characteristics which influence to a large extent the economies of tourism or, with the other words, its impact on the economy, like that:

- tourism is a particular industry, a sector which comprises firms that produce goods and services for the tourist's needs

- tourism product has elements like – accessibility, amenities at the destination (accommodation, catering, entertainment, transport and communication, touroperators etc.) and many intangible elements (atmosphere, ambiance, friendliness of the local population etc.)

- tourism is a service activity

- tourism products are perishable

- tourism demand is characterized by seasonality

- there are an interdependence of tourism products and services or of destinations and resorts

- tourism is a growth sector

- predominance of small and medium sized enterprises (SMEs) etc.”(Minciu R., Tourism Growth And Its Effects În The Economy, Amfiteatrul Economic, 2008, op cit, pg 272)

The tourist market is defined as the place where the tourist demand, materialized through consumption meets, specially arranged, where the buyers and sellers of tourist services meet to exchange their goods. Because the place of supply coincides with the place of consumption but not with the place where the demand is formed, the interference will become a time and space overlapping of the two factors through tourism consumption.

The tourist market is the total number of purchase acts the object of which is the tourist products, viewed in connection with the relations it generates, the geographical space and the time in which they take place.

The dimension of the tourist market can be achieved with these elements:

- the capacity of the tourist market $C = K * N$

where,

K - average consumption capacity

N - number of potential consumers

- the potential of the tourist market is the demand of all consumers for a particular tourist product, depending on their income and the prices charged for that product. Thus, we calculate the solvable demand for the tourist product, excluding from the market capacity those categories of consumers who either do not have financial means to acquire the respective tourist product or do not manifest actual demand for other reasons (lack of time, usages, conservatism);
- the volume of the tourist product market comprises the total of transactions made for a particular tourist product on a given market within a given time frame. When market volume is equal to its potential;
- the place on the market of a particular tourist product refers to that part of the volume of the market covered by the sales made for that product.

The tourist market has a wide variety of forms of manifestation; we can thus talk about the real or actual, potential and theoretical market, local, national, international ; about the markets differentiated by products, by consumers, by types of producers / bidders.

1.2. Conceptual elements regarding the tourist market

The supply is also defined as "the value of services and end-goods created by the tourism sector in a generally determined period of one year" or "all the attractions that may motivate tourists to visit them".

We can say that the tourist supply consists of:

- tourist potential (natural and anthropogenic attractions);
- the material basis – containing the accommodation, food, and leisure facilities, to the general infrastructure specific to tourism;

- the labourforce: number, structure, grade of experience, are in strict connection with production outcome numbers
- services, because tourism products are generally considered to be services; the tertiary sphere includes tourism production factors(labour force, resources, capital)

Comparing tourism production with tourism supply, we can see that the area of interest is much smaller, because tourism production incorporates all the services that include workforce, production equipment and goods that generate consumption in a designated target.

The tourist offer represents "the anthropic and natural potential, tourism equipment and services (including tourist production), food and industrial goods intended: (Cristureanu, C., *op.cit.*) tourism consumption, specialized workforce, tourism infrastructure, as well as its trading conditions (price, tariffs, etc.) "

The tourist supply presents a number of features: complexity and heterogeneity, diversified growth, stiffness, partial or imperfect adaptation to demand.

The supply refers to the structure of the supply and the structure of production and tourist producers. These characteristics are determined by the fact that the supply and tourist production are made up of a set of elements, which can be grouped as follows:

- according to their content, they are divided into:
 - attractive elements, composed of natural, socio-cultural, human resources, etc.;
 - functional elements, consisting of the equipment and services that make it possible to develop tourist production;
- based on their behaviour, the components of the tourist supply are grouped into:
 - rigid items - tourist attraction equipment;
 - variable elements - services.
- based on the sector of the economy they come from: natural, industrial, agricultural, transport, etc.

The tourist supply can be classified according to the dominant motivation of the consumers in 4 groups:

- holiday tourism supply: recreational, family, sports, spa;
- cultural tourism supply: tourism for studies, technical initiation, arts, festivals, religious tourism etc.;
- business tourism supply: itinerant tourism, congress tourism, stimulating tourism;
- supply for health care tourism includes - treatment tourism, prophylactic tourism.

Bidders of tourist products are the producers of various products and services, businesses in the commercial sector, associated carriers and social welfare bodies, various communities or territorial organizations. Tourist producers are specialized in activities such as accommodation and restaurants; transport; animation, information and leisure, tour operators.

The diversified growth represents a characteristic of the tourist supply resulting from the specific conditions of tourism, and it appears as a consequence of the concern of the producers (bidders), of approaching the tastes and desires of the consumers to stimulate the demand.

It is very important to have the data on the identification and delimitation of specific tourist and services activities outside the tourist area as well as the assessment of their percentage in meeting the needs of tourists. (Cristureanu C., *Strategii și tranzacții în turismul internațional*, Editura C.H.Beck, București, 2006, pg 28)

While in many areas of the economy demand is met by multiplying supply, by producing larger quantities of goods, in tourism this opportunity for multiplication is known to have some obstacles. Thus, the dependence on tourism's potential (attraction) makes the increase in supply by multiplication to be achieved only within certain limits, determined by its physical and ecological reception capacity.

This means that, in tourism, the increase in supply must be directed towards attracting new areas in the tourist circuit, thus towards diversification.

Rigidity is a feature of tourist supply that manifests itself in various forms and generates negative socio-economic phenomena. The rigidity of the supply is given by:

- the immobility of tourist supply and production, which cannot be shipped in order to meet demand and achieve consumption; for the achievement of consumption it is required to drive the consumer and not the product, which raises additional problems, especially with regard to international tourism;
- the impossibility of storing the supply in order to meet future needs or to cover sudden fluctuations of demand;
- rigidity in the localization of production capacities or equipment that are located at or near the attractive element.

These peculiarities of the tourist supply call for efforts to be made to mitigate the negative effects caused, among which the most important is the substitution of one type of supply with another complementary one. It is very important for the elements of the supply to have a polyfunctional character, to meet more needs without additional investment. Thus, existing capacities can be trained, in the absence of holiday tourism, through the production of business tourism or congress tourism, etc.

The impossibility of rapid adaptation to seasonal quantitative variations in demand and to qualitative changes in demand, driven by the diversification of motivations and interests, is another feature of tourist supply, namely partial or imperfect adaptability to demand.

The rigidity of the tourist supply is generating negative economic and social phenomena at a large scale. The under-utilization of the functional elements of the tourist supply determines the extension of the investment depreciation period, the moral wear and tear and the slowing down of the pace of renewal of their capacity.

1.3. The accommodation capacity remains the most significant characteristic of tourism's tehnico-material basis, also because the other elements of the material basis fulfill functions that are more heterogenous in function and, therefore, have relatively oscilating contributions to revenue from touristic activities. (Snak O., Baron P., Neacșu N., *Economia Turismului*, Editura Pro Universitaria, București, 2006, pg. 171.)

The material base has an strong role in the organization of tourism, being a unique component of the tourist supply; its dimensions and structure, the technical level of the equipment directly determines the access and presence of the tourists in a certain area, the extent of the flows and the degree of satisfaction of the passengers; at the same time, the increase and modernization of the material equipment leads to an increase in the tourist circulation.

The material basis of tourism is, in general terms, the whole of the technical means of production used in this field for obtaining specific goods and services destined for tourism consumption. (Minciu, R., *op.cit.*, pg.175)

In correlation with the broad scope of tourism, with its complex and synthesis branch, its technical and material basis includes both common means of other branches as well as specific equipment. As such, the economic content, characteristics, methods of classification dedicated to the technical capital are also found in the material basis of tourism.

Capitalizing on the tourist heritage of a country, region or geographical area implies, in addition to natural, anthropogenic resources. These means are known as the technical and material basis and are presented in the form of a diversified structure (accommodation and catering units, means of transport, recreational facilities).

The technical-material basis represents, in a general sense, all the technical means of production used in order to obtain specific goods and services for tourist consumption.

Due to the fact that the technical-material basis is in the form of a very diversified structure, as can be seen in Table 1, it is necessary to classify its components. One of the most used criteria is the main destination, which defines two categories: the specific tourist

technical-material base destined exclusively for tourists and the general technical-material base (infrastructure), respectively the facilities with independent status in the field of tourism.

Table.1. *Components of the technical-material basis of tourism*

| TECHNICAL-METERIAL BASIS OF TOURISM | |
|--|---|
| The specific tourist technical-material basis | General technical-material basis (infrastructure) |
| accommodation units | means of communication |
| catering units | means of public transportation |
| means of transport | telecommunication facilities |
| means (facilities) of cable transport | supply networks with: water, gas, electricity, thermal energy |
| leisure facilities | general and service units |
| treatment facilities | |
| tourist villages | |
| holiday villages | |

Source: adapted after Rodica Minciu, *op.cit.* p 181

The material basis of tourism, diagnosed globally or in terms of components, presents important differences from different points of view (of size, typology, level and pace of development) from one area to another. This distribution is due to the interrelated action of several causes; first of all, it is the geography of the territory, namely the concentration of tourist attractions in certain perimeters, their value and the facility with which they can be exploited; secondly, it is the tendencies recorded over time in the evolution of demand, which determined a certain orientation of investments in the field; thirdly, territorial inequalities, especially in terms of general infrastructure, reflect the different level of economic and social development of the areas, the place and role of tourism in the structure of the regional economy. (Cândea, M. și Simon, T., *Potențialul turistic al României*, Editura UNIVERSITARĂ, București, 2006, chapter IV, „Zonarea (regionarea) turistică a României”.)

We can say that there is a relationship between the territorial distribution of the material basis, the development of tourism and the meeting of the needs of the tourist services consumers. Thus, the inadequate, unbalanced, non-harmonious distribution of the material basis in the territorial profile has negative effects on the development of tourism and on consumer satisfaction, including the agglomeration of the resorts and the reduction of the quality of the services, accelerating the deterioration of the natural environment and decreasing the attractiveness of the areas, increasing pollution etc. As a result, ensuring the conditions for the progress of tourism and, in particular, for making full use of the potential, requires a balanced distribution of the material basis; it is not a matter of equalizing the areas in terms of material endowments, but of their rigorous correlation with the potential and trends of demand, with the requirements of sustainable development. In favour of a more balanced territorial distribution of tourist equipment there is also an argument that arises from the spatial and temporal concentration characteristic of tourist activity. As it is known, this is largely due to natural supply.

In this context, it is clear that the more balanced distribution of the material base can be a factor in reducing concentration and its negative effects, an incentive for the development of all areas and the mitigation of gaps.

The unequal distribution of the material basis of tourism in the territorial profile is specific to our country as well. Monitoring this phenomenon highlights the existence of

significant disparities between tourist areas with a similar potential or a similar level of economic and social development.

The most important component of the specific technical and material base is the network of accommodation units, as it responds to the tourist's basic rest and leisure needs during the journey. The size, structure and spatial distribution of the means of accommodation determine the characteristics of all the other components of the technical-material basis of tourism, and also intervene in the orientation of tourist flows.

The network of accommodation units is diversified, comprising objectives of various types, classified according to criteria that have regard to the category of comfort, the function fulfilled, the period of operation, the form of ownership.

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