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Using SWOT analysis to substantiate marketing strategies for balneo-tourism

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Abstract

Given its social, economic and environmental impact, together with its history and tradition, balneo-tourism counts among the most important forms of tourism practiced in Romania, thus being useful to constantly identify, analyse and develop ways of supporting its positive evolution on a long term. The purpose of this article is to present, along with theoretical references regarding the importance of substantiating marketing strategies in balneo-tourism marketing planning, the results of a SWOT analysis developed in order to create better-adapted marketing strategies for balneo-tourism in Romania. The SWOT analysis is based on a qualitative research, conducted among several Romanian experts directly involved in the field of balneo-tourism. Therefore, the results obtained and the conclusions drawn can be used to substantiate marketing strategies for balneo-tourism in Romania, emphasising the main strengths and opportunities, such as the various, high quality, natural resources and the positive dynamic of the tourism market, and improving or limiting the impact of the weaknesses and threats, such as the insufficient specialised human resources and the lack of financial resources. The paper presents a series of recommendations regarding the addressed matter and offers a comprehensive point of view upon relevant aspects that should be dealt with in order to support more efficiently the Romanian balneo-tourism evolution.

Keywords: Tourism, SWOT analysis, marketing strategy, qualitative research.

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1. Introduction

In the last period, both internationally and nationally, health tourism enjoys special attention and, thanks to its particularities, it is a very important form of tourism practiced today from an economic and social point of view (Ianc, 2006; Snak, Baron & Neacsu, 2001). Balneo-tourism is part of health tourism having both medical and wellness features and may be defined as 'all phenomena and relationships arising from the movement and staying of persons for limited periods of time at destinations endowed with natural therapeutic factors, with the purpose of undergoing specific treatments that employ those factors' (Neacsu, 2017). Bringing together two different areas of activity (tourism and healthcare), balneo-tourism is thus a complex form of tourism, presenting numerous advantages. Due to its specificity, balneo-tourism succeeds in overcoming a significant part of the shortcomings of the tourism industry that other types of tourism may encounter, such as seasonality, low loyalty and increased elasticity, so that the destinations endowed with natural therapeutic factors may profit and develop.

Balneotherapy has a millenary history in Romania, the use of natural therapeutic factors starting in the period of antiquity (Teleki & Munteanu, 2012). The outstanding and varied resources for balneo-therapy of Romania are scattered all over the country and favoured in time the development of balneo-tourism. The Romanian balneo-tourism offer is defined by the natural therapeutic factors employed in different types of treatments, prophylactic and curative, the destinations with suitable natural environment and facilities needed for balneo-tourism activity and by some specific tourism products. The wide variety of natural therapeutic factors of Romania include mineral waters, salty and heliothermal lakes, muds, gases, climate and the therapeutic factors of the Black Sea coast. Thus, over time, in Romania, more than 160 localities and 477 areas with either exploited or just identified specific resources were mentioned (Erdeli, Dinca, Gheorghilas & Surugiu, 2011). Thanks to its resources and sustained activity in balneology and balneo-tourism, Romania is a member of the main international organisations in the field such as European Spas Association (ESPA), World Federation of Hydrotherapy and Climatotherapy (FEMTEC), World Hydrothermal Organization (OMTh) and International Society of Hydrothermal Techniques (SITH).

Therefore, considering Romania's resources for balneo-tourism, it is important that the domain evolves in line with its potential. In this regard, all existing options must be identified and analysed, and well-founded strategies should be developed and implemented in order to generate better economic and social results.

2. The role of strategy in tourism marketing activities

The term 'strategy' was introduced for the first time in the economic field by Chandler (1962), and since then it has been used to designate the actions and means that contribute to achieving and maintaining an advantageous position over opponents by exploiting all the strengths and opportunities without limiting to a fixed plan. In business, the term is extensively utilised as the strategy being the foundation of most actions undertaken by organisations. The strategy is basically an action plan by which an organisation's management employs the resources available to meet its business goals. McKeown (2011) appreciates that the strategy shapes the future of an organisation in an attempt to achieve the desired goals using the available means. The use of the term in business has intensified with the finding that organisations operating in the same field and having the same technology can often record different performances, this being a result of the different ways in which organisations approach the market from a strategic management point of view. Olteanu (2003) considers that the strategy should be understood as a rule, set at a higher level, on the basis of which decisions are made and actions taken at lower levels, ensuring the unitary character of the processes carried out in different places, at different moments and in different structural components of the organisation.

In marketing, the term 'strategy' is also widely used and strategic management and strategic marketing being two domains that need to interconnect within any enterprise aspiring to achieve market

performance. Although the term has been analysed over time by many authors, there is no standard definition of marketing strategy in the literature. However, a consensus may be noticed among all the definitions, regarding the fact that a marketing strategy is basically 'a set of decisions taken by the management on how the firm will allocate resources and create a sustainable competitive advantage in its chosen markets' (Doyle & Stern, 2006). Mintzberg (1990) considers that strategy cannot be defined by a single sense in his opinion being necessary to observe five perspectives:

- Strategy as an *action plan*, a conscious orientation of the ways of action to solve a situation;
- Strategy as a *ploy*, a manoeuvre that ensures the overcoming of a competitor, gaining an advantage over it;
- Strategy as a *pattern* of behaviour in the environment in which the organisation operates;
- Strategy as a *position* of the organisation relative to the external environment;
- Strategy as a *perspective*, a way of perceiving reality and project the organisation's future, in terms of market, products, technologies, etc.

Moreover, marketing strategy is a stage of marketing planning and of the strategic marketing plan, which is set to achieve long-term marketing goals for an organisation and represents the basis of an effective tactical plan. In this context, choosing a strategic variant or mix is a complex decision for any enterprise that needs to be carefully grounded.

According to Fifield (2007), the marketing strategy is essential for the organisation's survival and development with implications for a long-term horizon, must provide a high degree of stability as frequent changes lead to uncertainty, confusion and waste, has to be known within the organisation requiring concerted efforts for its implementation, should concern not only planning but also implementation and must be substantiated through profound analysis and understanding of accurate information. Bacanu (2009) considers that the strategy, by its nature, is a creative process being used to fight the unknown or unpredictable, hence the necessity of permanent adaptation and innovation.

In addition, the benefits of using suitable marketing strategies include generating systemic perspective thinking, enhancing the ability to cope with and adapt to change, getting more effective communication between those responsible, achieving better coordination between interdependent actions, increasing the predictability of the consequences of the actions, more efficient allocation of resources, making better use of existing market opportunities, mitigating the impact of adverse or unforeseen situations and providing an optimal framework for coordination and permanent verification of activities.

All these features and advantages offered by the use of an effective marketing strategy are also applicable in the field of tourism marketing. In tourism, just as in other domains, transposing success stories from past to present or translating them from one geographic space to another may prove risky and eventually lead to failure. Therefore, using a long-term strategic vision that integrates all important aspects for decision-making is absolutely necessary. From a conceptual point of view, the tourism marketing strategy can be considered 'that component of marketing policy – its core – which concentrates all decisions aimed at defining and delimiting the market, the objectives, the policies and the rules that direct the marketing effort, depending on the environment dynamics' (Bucur-Sabo, 2006).

A particularity of strategic marketing planning in tourism derives from the fact that it is carried out on several levels so that those responsible for marketing activities in tourism can be found in central authorities, local authorities, employers' or professional organisations and economic agents. Their actions should be concerted for coherence. Moreover, in tourism, the specifics of marketing strategies are imprinted by the particularities of the tourist product and the tourism market, which mark each strategic approach (Bucur-Sabo, 2006). Thus, the use of a tourism marketing strategy helps to establish general co-ordinates over a longer period of time, 'integrating decisions that address, on one hand, the position regarding the structure, the changes and the requirements of the market – outlining the market strategy – and, on the other hand, the components of the marketing mix' (Bucur-Sabo, 2006). Out of the many strategic alternatives, one must choose the option that takes into account to

the highest degree the action of endogenous and exogenous factors and the effects of which must be well known and analysed in advance.

3. The use of SWOT analysis for substantiating marketing strategies

The substantiation of marketing objectives and strategies requires selection actions from existing possible alternatives identified by knowledge and capitalisation of information on the internal and external environment. Regardless of the field under consideration, as already mentioned, the strategy must be based on a profound analysis of precise information.

One of the most common methods of analysing internal and external factors influencing the activity of an organisation and guiding the strategic decision is the SWOT analysis. The method is simple, flexible, integrative, time and cost-efficient. It is used to investigate environmental factors and groups them into four categories (strengths, weaknesses, opportunities and threats) depending on their origin and the favourable or unfavourable impact on activity.

The marketing environment is made up of two major components: the internal environment and the external environment. The internal environment contains the material/non-material, human, financial and informational resources available. The external environment consists of macro environment, or the general external environment, with political, legislative, economic, social, cultural, demographic, natural, ecological, technological components and the micro environment or competitive environment, including suppliers, competitors, customers and intermediaries.

Strengths are attributes of the internal environment that support development. Generally, if properly communicated, consumers can strongly associate them with a provider, strengths thus being aspects of differentiation. In tourism, strengths are elements of attraction, which together contribute to the overall attractiveness of a destination or product. Weaknesses are attributes of the internal environment that hinder development. Opportunities are conditions of the external environment that stimulate development. Threats are external environmental conditions that hinder or restrict development. Decision-makers only have control over the elements of internal origin, on which they can act from the inside at any time, but not over the ones of external origin, which can change at any time, independent of the will and actions of the decision-makers.

Following a SWOT analysis, the organisation can choose between four strategic alternatives derived from the results obtained (as shown in Table 1):

- S.O. strategies (strengths/opportunities) – aggressive (offensive) strategies that use strengths to maximise environmental opportunities and create an advantage over competitors.
- S.T. strategies (strengths/threats) – diversification strategies that use strengths to overcome unfavourable situations or threats from the external environment.
- W.O. strategies (weaknesses/opportunities) – reorientation (shift) strategies that use opportunities offered by the external environment to overcome the weaknesses; resources are redirected towards the creation of new products allowed by the favourable conjuncture.
- W.T. strategies (weaknesses/threats) – defensive strategies, trying to avoid threats of the external environment, given the existence of many weaknesses compared to competition and aiming at survival and loss reduction.

Table 1. Marketing strategies resulting from SWOT analysis

	STRENGTHS (internal, positive)	WEAKNESSES (internal, negative)
OPPORTUNITIES (external, positive)	Strength-Opportunity Strategies Aggressive Strategy	Weakness-Opportunity Strategies Turnaround Strategy
THREATS (external, negative)	Strength-Threat Strategies Diversification Strategy	Weakness-Threat Strategies Defensive Strategy

Source: adapted after Stancioiu, (2005).

A strategy can be considered good or appropriate if it manages to make the best out of the strengths and opportunities, whereas neutralising the weaknesses and threats, its implementation resulting in a considerable optimisation of the economic performance. In addition to a solid substantiation, a suitable strategy should stand simultaneous to the following tests (Rumelt, 1979, in Bacanu, 2009):

- Of consistency between objectives – the system of objectives must be coherent and consistent; if there is no link among objectives, or they exclude each other, the strategy cannot work;
- Of context – the strategy must exploit the advantages held in a given context;
- Of competence – the strategy should use the available resources to solve any problems that may eventually arise;
- Of feasibility – the strategy must be made on the basis of resources, skills and strategic capabilities.

In tourism, SWOT analysis can be carried out at different levels of a tourism destination (which may be a region, a country, a country's administrative division, a locality, a resort, a smaller area of tourist interest), of an organisation active in tourism (ministry, NGO, travel agency, accommodation/catering/recreation and related services provider, tourism resource administrator), of a form of tourism (e.g., balneo-tourism), and of a tourist product or even a tourist service.

4. Research methodology

In order to substantiate marketing strategies for balneo-tourism by using the SWOT analysis, a qualitative research based on expert interviews was projected and completed in 2017. The objective was to find out the most relevant aspects that currently compose the SWOT analysis of Romanian balneo-tourism. The selection of experts was done considering their position, experience and involvement in activities directly related to balneo-tourism. The researchers tried and succeeded to include in the sample top specialists representing the most significant active entities in the field of Romanian balneo-tourism. As a result, interviews with 16 experts working in public authorities, private companies, research and education institutions, as well as for tourism press and non-governmental entities were conducted.

The investigation method employed was the semi-structured individual interview with a conversation guide organised around four main objectives regarding the identification of strengths, weaknesses (attributes of the internal environment), respectively opportunities and threats (conditions of the external environment) that favour or, on the contrary, limit the development of balneo-tourism in Romania. The collected data were processed, a content analysis was carried out and the main findings of the research were structured.

5. Research results

The first inquiry regarded the **strengths** of the Romanian balneo-tourism because it is generally less difficult to identify and point them out due to the fact that they do not bear too much of a novelty character, so they are mostly known, thus giving the interviewees a sense of confidence and control.

The specialists firstly mentioned the specific natural resources that Romania is endowed with that are so valuable and appreciated in terms of quantity, quality as well as territorial dispersion, providing the main competitive advantage compared to other countries. Romania has not only numerous mineral springs, thermal waters, salty waters and curative springs with extensive therapeutic indications but also gas emanations and various kinds of mud, which can be used both in external and internal cures and various types of bio-climate with clean, fresh and ozonised air, all these allowing complex balneotherapies to be performed.

Another strong point emphasised by the experts regarded the general tourism potential of the balneo-destinations, namely the existence of many resorts with technical and material facilities. Besides

the advantage of the existing natural resources for balneotherapy, other types of resources were mentioned as well, such as the cultural centres or the varied landscape, flora and fauna that increase attractiveness of Romanian balneo-resorts, offering the possibility to carry out a wide range of activities, associating other forms of tourism.

Other elements of great importance for the Romanian balneo-tourism are considered the tradition and prestige of Romanian balneology, with a history of over 2000 years.

Another strength resides in the quality of the human resource, particularly the outstanding competence of the medical staff active in Romanian balneo-resorts that, thanks to the excellence of the Romanian medical school, supported the development of extensive research resulting in the creation of famous products such as Gerovital, Aslavital, Covalitin, Pellamar and Boicil that can be used for auxiliary procedures along with the main balneotherapy.

Asked about the **weaknesses** of Romanian balneo-tourism, the specialists revealed the most significant deficiencies that should be considered in order to take action and remedy them. A major weak point is the numerical insufficient and poorly trained personnel available for work in tourism resorts. At present, there is also a shortage of the medical staff specialised in balneology in most of the resorts in Romania, as specialists retire or go abroad and are not replaced quickly enough. Other negative elements observed were those related to the state of the facilities, which are often obsolete or in an advanced state of degradation; problems being encountered to accommodation and catering facilities as well as to general infrastructure and the access infrastructure to natural resources, thus requiring rapid intervention not only by the state through ministries but also by private companies and investors. There is also a lack of modern technology and investments. Until now, too few balneo-facilities or resorts were developed and endowed with state-of-the-art technologies. Catering facilities are far from being competitive and attractive with little diversity and adaptability to the needs of different types of tourists. Leisure facilities are also insufficient and thus the need for their development. Most of the investments in the Romanian balneo-resorts focused on developing and improving the quality of the accommodation and catering facilities, few on modernising the cure facilities or building new ones. Diverse possibilities of recreation and relaxation must also be provided for tourists as alternatives for spending free time during their stay in the resorts. There are a poor variety and quality of the services provided in some balneo-resorts, no integration of the main components of the balneo-tourism product and no entity that could ensure the access to a reasonable and high quality general offer.

Besides all this, other problems for the Romanian balneo-tourism were identified as being related to:

- The deteriorated image due to media presenting mainly the negative aspects related to balneo-tourism;
- The lack of professionalism, experience and management vision and skills of some of those working in the field in various positions, especially in central administration;
- The unsatisfactory price/quality ratio of specific products/services;
- The general disinterest and inefficient management of available resources conducive to low exploitation rate;
- The insufficient promotion of positive aspects;
- The absence of a functional link between local authorities and investors interested in balneo-tourism;
- The lack of collaboration between hoteliers and medical staff.

Seeking to identify the **opportunities** that could currently favour the development of balneo-tourism in Romania, the respondents indicated a series of important aspects pertaining to different domains, as follows:

- *Legislative* aspects, such as the law allowing public and private employees to receive from their employers advantageously taxed holiday vouchers that can be used only in Romania;
- *Economy and infrastructure* related aspects, such as the tourism market dynamics, characterised by a permanent increase in demand, both at national and European levels; the global development trend of health and wellness tourism; unexploited existing infrastructure elements;
- *Social and demographic* trends like the aging population, the elderly in need for special care, the modern life challenges with more problems related to stress, sedentarism and incorrect alimentation, all requiring solutions to increase the quality of life in general and health in particular;
- *Scientific* aspects, as research is continuously advancing and discovering new natural resources for balneo-tourism or revealing new, innovative possibilities for their use in therapeutic purposes;
- *Technology* related benefits, resulting from the use of Internet and various software for commercial and promotional purposes and the technological progress and equipment improvements;
- *Political* aspects, like the Euro-Atlantic organisations membership and the absence of safe and security threats in Romania, the country being stable and secure in this regard.

A favourable aspect based on the positive elements listed above is the existence of a loyal clientele, many tourists returning year after year to undergo balneotherapy in all the country's resorts, being satisfied with the health-related results and motivated by the Romanian state policies in the field, materialised in subsidies offered to some segments of the population for this kind of therapies.

Thus, tourism authorities and operators have to find the best ways to take advantage of the opportunities identified, to develop the field, attract tourists and then benefit from consistent revenues.

Inquired further about the current **threats** or obstacles presently limiting the development of the Romanian balneo-tourism, the interviewed persons referred in particular to the following aspects:

- *Political, legislative and administrative*, derived from a complex, at some points outdated, regulation system concerning funding and an inflexible, bureaucratic practice;
- *Economic and social*, such as financial obstacles, lack of facilities for investors; underfinancing of infrastructure investments and facilities development and modernisation; a long period until investment return; unmotivated, aged, migrating workforce in the field and corruption;
- *Infrastructure*, especially for general access to balneo-resorts which is in some cases lacking, poor, obsolete, compared to the countries around Romania that have developed their infrastructure and capacities to better exploit their resources;
- *Other issues* regarding the poor image of the Romanian general medical system, the lack of research in the field and the low, unproductive involvement of family doctors in balneo-tourism.

Finally, the experts pointed out another important negative aspect, namely the lack of effective integrated management, this being the main obstacle with effects on the capacity to implement strategies. It is thus desirable that the organisational structure of the government permanently incorporates a distinct Ministry of Tourism that initiates, analyses, adopts, monitors and may even impose measures and strategies in support of balneo-tourism.

6. Conclusions

Marketing strategies are ways of addressing existing or potential situations, resulted from marketing research and analysis, that use identified opportunities and distinctive competences to achieve the envisaged objectives in terms of increased efficiency. The market strategy is the starting point and reference element for all the other strategies, it has the role of a catalyst for different sides of the activity, and its development must be constantly monitored and carefully analysed, the success depending on its realism and its substantiation.

Given the fact that one of the most important purposes of a marketing strategy is to create a sustainable competitive advantage on the market, it is recommended that an action plan for balneo-tourism in Romania considers the efficient use of resources and makes the most out of the market

opportunities. According to the SWOT analysis, the many natural resources so widely dispersed over the country, in seaside, plains or mountain areas, the extended and equipped national resort network, the highly competent medical staff and the reputation of Romanian balneology are the main strengths, thus making balneo-tourism able to stand for a third of the Romanian tourism, as Neacsu (2017) appreciates. Also, the existence of economic, demographic, social, political, legislative, infrastructure and even scientific opportunities makes possible the development of a highly rewarding balneo-tourism activity that could support a steady increase in demand. However, a high number of weaknesses and various threats make it difficult to approach a strategy based only on favourable elements. As the results of the analysis show, in Romania's case, balneo-tourism registers, for now, more weaknesses than strengths and seems to encounter more opportunities that can be exploited than threats. Therefore, a W.O. (weaknesses-opportunities) strategy is indicated in this situation that being a turnaround strategy involving a reorientation towards complementary activities and forms of tourism which by their implications can support and contribute to the development of Romanian balneo-tourism. In this regard, major investment is primarily needed for modernising accommodation and catering facilities and for developing recreational and leisure facilities to complement the offer of Romanian balneo-resorts. By timely fixing the weaknesses, an important increase in demand could be generated with more domestic and foreign tourist arrivals and more overnights recorded. Particular attention should be also paid to the access infrastructure which is currently hindering tourists. Also, the endeavour of capitalising the balneo-resorts potential should not only envisage only the exploitation of natural therapeutic resources but also all the other natural or anthropic resources in the area, thus making it possible to combine several forms of tourism under the umbrella of a single stay in a balneo-resort, be it in coastal, mountainous or other kind of zone.

In order to implement any kind of marketing strategies, there should be a cooperation at an administrative level between the health and tourism ministries. Investors from the private sector should also be implicated. This way, through collaboration of all interested entities, it would be possible to initiate and adopt measures to support the sustainable, efficient, long-term development of balneo-tourism in Romania.

Properly employed, the SWOT analysis is an important tool that can help substantiate marketing strategies for balneo-tourism. Anyway, for even better and more reliable results, other research methods or types of analysis should be associated. Consumers could be involved and asked to identify a series of positive or negative aspects. It is also advisable that similar research is undertaken periodically so that the marketing environment would be constantly monitored, potential changes learned and specific measures taken to adjust strategies.

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