

The Importance of Strategic Marketing Planning in accessing European Funds in Tourism

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Abstract

Technological developments in recent years have led to changes in several fields. In this situation, a number of companies were forced to reorganise their strategies and use their skills to face the increasingly stronger competition. Studies conducted earlier in the literature have shown that organisations can succeed on the market if they are permanently preoccupied to improve its organisational structure, strategies, staff and processes. Strategic planning plays a very important role in companies, serving to improve processes carried out in enterprises. This paper aims to study how EU funds for tourism were allocated through the Regional Operational Programme in the development regions in the country and how strategic planning can be used in this area to facilitate absorption and to ensure that the results have a strong impact in the country.

Keywords: European Funds, Regional Development, Services Marketing, Tourism Marketing.

The importance of strategic planning

The field of accessing EU funds is a priority at the national level, our country is trying permanently to attract resources and to use them to develop different regions. This paper aims to analyze the way in which the European funds have been distributed in Romania through the

Regional Operational Program. After completion of this study, we will understand how these resources were distributed and we will identify the regions where the most investments was been made.

In a market with an increasingly stronger competition, where consumer needs and requirements change constantly, marketing has started to take a leading role (Balaure, 2002). Wishing to have a better position, managers have begun to turn their attention to strategic marketing, developing specific plans to support them in their activity in the market (Proctor, 2008, p.300). Planning is narrowly defined as that process which aims to anticipate future events and determine the strategy required to fulfil organisational objectives (Lamb, Hair, McDaniel, 2004). Broadly speaking, it is seen as the process that maintains and develops a strategic matching between organisational objectives and resources while always taking into account the changes occurring in the market.

Therefore, when planning the activity in the organisation, it is necessary to define the organisation's mission, the objectives and the strategies to be followed in the future. For strategic planning at organisational level to have the highest impact in the market, it is essential that it be followed by planning at the level of strategic units (Armstrong, Kotler, 2006, p. 37).

Stăncioiu (1999, p.152) defined planning as *"a structured and dynamic process of development of the document called plan, which includes the planning, organisation and management of an activity or group of activities to come"*. Strategic planning is a complex concept studied over the years by many experts in the field (Ansoff and McDonnell, 1990; McDonald, 1998). Some of them were concerned to observe how it is able to influence the activity of the organisation. Mintzberg (2000) analysed the concept in terms of its development, but also in terms of how it can be applied across multiple industries. Others have analysed this concept from the perspective of the impact this has on the results that may be obtained from the organisations.

The activity of accessing European funds has a growing importance in the European Union member states, which are permanently preoccupied to attract as many financial resources as possible in the country in order to improve the work in the various fields. In recent years, Romania has absorbed a number of resources from the EU that it has subsequently used in the development of several fields. Thus, resources were allocated in the Centre, North-West and West of the country, later materialised in a series of projects (Radu, 2015, pp.91-98). Under these circumstances, the national strategic plan has an increased importance, it being the one that suggests how EU funds should be allocated nationally for the results of their implementation to be as high as possible.

The Regional Operational Programme – A tool for attracting EU funds and to achieve the objectives of the tourism activity at national level

In terms of research methodology, we opted for analysing statistical data. We opted for this method of analysis because we analyzed data that has been provided by a competent authority. Thus, this method guarantees the authenticity and correctness of the provided information.

Between 2007 and 2013, Romania was able to access a large number of projects financed from EU funds through the Regional Operational Programme (ROP) which had the following purpose (inforegio.ro):

- Improving the quality of life and the appearance of cities and increasing their role in the development regions;
- Improving the accessibility of regions through the development of infrastructure networks (county roads and ring roads)
- Modernising social services (schools, clinics, intervention services, etc.)
- Increasing business investment by supporting microenterprises, improving the utility network and business infrastructure;
- Modernising and rehabilitating the existing tourism infrastructure.

Thus, we note that this operational programme aimed mainly to improve activities in the development regions, improve social activity and infrastructure. Looking from the perspective of potential beneficiaries, projects could be submitted in the ROP by to the following organisations:

- Public administration authorities (mayors, city councils, county councils);
- Public institutions (health institutions, academic institutions, institutions that intervene in emergency situations);
- NGOs;
- Private companies (SMEs and microenterprises);

In order to obtain funding through the Regional Operational Programme (ROP), potential beneficiaries were able to draw a number of projects in the Priority axis 5, which provides the sustainable development and promotion of tourism. In turn, it consists of the following sections (fonduri-structurale.ro):

- 5.1. Restoration and sustainable valorisation of cultural heritage, as well as setting up/ modernisation of related infrastructure;
- 5.2. Creation, development, modernisation of the tourism infrastructure for the valorisation of natural resources and for increasing the quality of tourism services;
- 5.3. Promoting the tourism potential and setting-up the necessary infrastructure in order to increase Romania's attractiveness as tourism destination

From the above we can see that the axes included in the Regional Operational Programme (ROP) focus on three important areas in tourism: cultural heritage, accommodation and recreation services and work to promote tourism in the development regions. The projects developed and implemented since 2007 aimed to improve tourist activity in the area and valorise the natural and human potential in the development regions.

Considering the structure of the Regional Operational Programme and its objectives, we considered necessary to perform a statistical analysis to see how projects financed from EU funds were developed and implemented.

The absorption of EU funds registered in Romania through the Regional Operational Programme

To get a clearer picture on how projects in the Regional Operational Programme were accessed and implemented, we analysed comparatively the number of projects submitted, rejected and contracted. Thus, until 30.09.2015, 9,990 projects were submitted through the ROP in Romania.

Of this total, 4,553 projects were rejected and 4,619 projects were contracted. Analysing in terms of the amount allocated, this was 18,713.9 million lei. The amount requested for projects submitted was 3,791.7 million lei, while the value submitted for projects rejected was 13,520.8 million lei. Studying in terms of contracted projects, we can mention that the requested amount was 23,118.7 million lei. Overall, across all development regions of the country, usage according to the size of funds requested through the submitted projects was 161.8%.

Table 1 – Absorption of EU funds in the development regions of Romania until 30.09.2015

Region	Value allocated (ERDF + State budget)	Projects submitted		Projects rejected		Projects contracted		Usage according to the size of funds requested through the projects submitted*
		No.	Amount requested	No.	Amount requested	No.	Amount requested	
NORTH EAST	3,051.7	1643	6,871.7	718	1,703.9	682	3,658.3	169.3%
SOUTH EAST	2,477.5	1157	5,091.7	520	1,583.2	566	2,990.3	141.6%
SOUTH	2,666.0	1419	6,138.1	475	2,042.4	765	3,241.9	153.6%
SOUTH WEST	2,622.1	1049	5,272.8	451	1,375.1	558	3,063.9	148.6%
WEST	1,935.8	846	4,954.7	350	1,461.3	427	2,408.7	180.5%
NORTH WEST	2,263.3	1590	5,169.2	810	1,698.1	718	2,948.5	153.4%
CENTRE	2,039.8	1337	5,440.1	725	2,139.2	513	2,453.0	161.8%
BUCHAREST - ILFOV	1,657.8	949	4,853.3	504	1,517.7	390	2,354.2	201.2%
TOTAL	18,713.9	9990	43,791.7	4553	13,520.8	4619	23,118.7	161.8%

* usage is the amount requested for the projects that are being evaluated and contracted compared with the financial allocations

Source: info regio.ro

Analysing the overall distribution of projects funded through ROP in 2007-2013 in all development regions, we see that, of all the projects submitted (9,990), most were registered in the North-East development region (16.45%), followed by the North-West region where 15.92% of the total in the country were submitted. A large number of projects was submitted in the South development region (14.20%), the Centre region (13.38%), the South-East region (11.58%) and the South-West region (10.50%). The regions where the number of projects was smaller are: Bucharest-Ilfov (9.49%) and West (8.47%).

If we look from the perspective of the projects submitted through ROP that were rejected, we see that most were registered in the North-West region (17.79% of all projects rejected), even if this region did not register the highest number of projects submitted. The next region which registered a high number of rejected projects is the Centre region (15.92% of rejected projects), followed by the North-East region (15.77% of all projects rejected), which also registered the most projects submitted during this period.

A large number of projects rejected was also registered in the South-East region (11.42% of all projects rejected at national level) and in the Bucharest-Ilfov development region (11.07% of all rejected projects at national level), although the number of projects submitted in these regions was quite low. The lowest number of projects rejected was registered in the following regions: South (10.43%), South-West (9.91%) and West (7.69%).

An important aspect to be analysed in the ROP refers to contracted projects. According to analyses conducted, a total of 4,619 projects were submitted in all development regions by 30.09.2015. Most contracted projects were in the South region (16.56%). In addition, if we analyse comparatively to projects that have been submitted in these development regions, we see that 53.91% of all submitted projects were contracted.

The next region to register the highest number of contracted projects was the North-West region (15.54% of contracted projects in the country). If we look at all projects submitted in this region, we see that only 45.16% were contracted. A high percentage was also recorded in the North-East region (14.77% of contracted projects in the country), although only 41.51% of projects submitted in this region have managed to be contracted as well.

Approximately equal percentages were registered among two development regions: South-East (12.25%) and South-West (12.08% of contracted projects in the country). However, we note a different distribution if we calculate the share of contracted projects from all projects submitted. Thus, the analysis reveals that 53.19% of all projects submitted in the South-West were contracted, while the South-East region registers only 48.92% contracted projects.

The lowest percentage in terms of contracted projects was registered in the Centre region (9.24% of total contracted projects in the country and 38.37% of all projects submitted in this development region). We note that this development region recorded the lowest percentage of contracted projects of the total submitted in the country. This value may be due to several external factors related to the drafting of projects, their review or objectives set.

In the West development region, 9.24% of the total projects at country-level were contracted, and 50.47% of those submitted in this development region. The lowest share in terms of contracted projects was registered in the Bucharest-Ilfov development region. Thus, only 8.44% of contracted projects in the country were found in this region. Although the

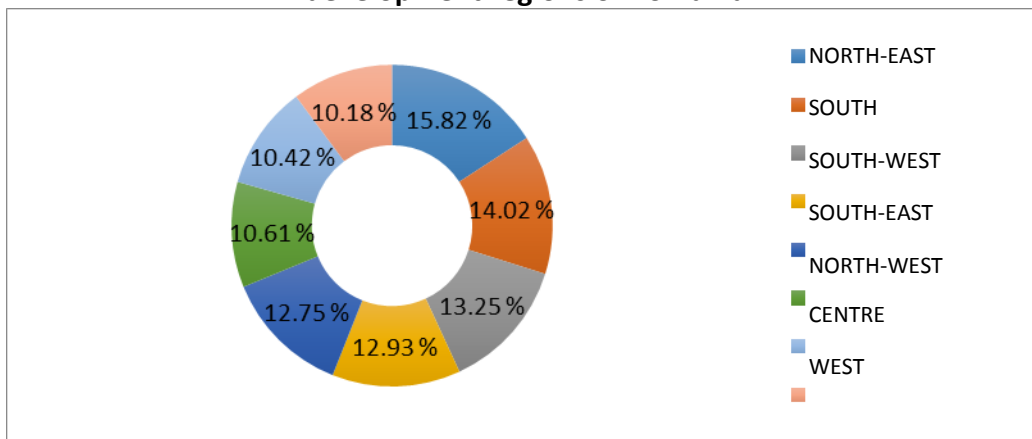
number of projects submitted in this development region has been quite low, we see that 41.10% of them were contracted.

Another aspect to be analysed in the Regional Operational Programme refers to the monies requested for the contracted projects. Thus, as shown in the table above, on 30.09.2015, the total value of these projects was 23,118.738 million lei. Of this total, the highest rate was recorded in the North-East region (15.82% of all monies requested in the country). Even if this region registered the most submitted projects, the number of contracted projects was not the highest.

However, high values were also registered in the South region (14.02% of all monies requested in the country). As noted above, this region registered the most contracted projects compared to other regions of the country.

An important share of monies requested was also registered in the South-West development region (13.25% of all monies requested in the country), the South-East region (12.93%), and in the North-West development region (12.75%). Low numbers were registered in the Centre Region (10.61% of all monies requested in the country), West region (10.42%) and Bucharest-Ilfov region (10.18%), which also recorded the lowest number of contracted projects in the country.

Figure 1 – Monies requested for projects financed from EU funds through the ROP in the development regions of Romania



Source: inforegio.ro

Given the evolution of projects implemented through the Regional Operational Programme in Romania, we have refined the study and analysed their distribution only in terms of the priority axis 5, which facilitates the absorption of EU funds in tourism. Following the analysis, we noted that by September 2015 a total of 1,412 projects were submitted through the ROP (Priority axis 5).

Of these, the majority (61.26%) were oriented towards key area of intervention 5.3 (tourism promotion), 26.06% to key area of intervention 5.2 (accommodation and recreation) while 12.68% targeted key area of intervention 5.1 (cultural heritage). The amounts requested for these projects have cumulated in priority axis 5 a total of 7,071.59 million lei.

Of the projects submitted in priority axis 5 (1,412), 45.47% of them were rejected, the requested amount being 2,936.34 million lei. In addition, 47.59% of the total submitted projects were contracted. Most still related to the promotion of tourism (65.33%), followed by accommodation and recreation (20.54%), and improving cultural heritage (14.14%). The amounts requested for these contracted projects was 3,263.44 million lei. Most were concentrated in cultural heritage (1,418.74 million lei), and in accommodation and recreation (1,296.16 million lei). Only 548.538 million lei were aimed at promoting tourism.

Table 2 – The absorption of EU funds in the Regional Operational Programme – Priority Axis 5

	Projects submitted		Projects rejected		Projects contracted	
	No.	Amount requested	No.	Amount requested	No.	Amount requested
AXIS 5 – Tourism	1412	7071.592	642	2936.342	672	3263.443
5.1 – Cultural heritage	179	2445.775	49	473.4473	95	1418.741
5.2 – Accommodation and recreation	368	3546.992	217	2122.026	138	1296.164
5.3 – Tourism promotion	865	1078.826	376	340.8682	439	548.538

Source: inforegio.ro

Conclusions

Strategic planning implementation in a country is one of the most important elements with the ability to ensure economic stability and development of the main industries of the country. The concept of strategic planning was analysed over the years by many experts in the field concerned with observing its role in a company and the main barriers to its implementation in companies. Technological developments in recent years have determined organisations to carefully plan the work they carry out in order to obtain the best possible position in the market and face increasingly powerful competition.

The field of accessing EU funds shows an increasing importance in the country, because it is the one that has the ability to finance key areas in order to improve activities. In tourism, accessing EU funds is seen as a priority, as it facilitates the attraction of a large number of tourists and has the ability to improve the work in accommodation, recreation or food supply units. In this paper, we noted how EU funds were distributed through the Regional Operational Programme in the country. To improve work in this regard, we consider necessary to implement the principles of strategic planning to help facilitate access and improve the results following project implementation.

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