



An Analysis of the Tourist Competitiveness in Switzerland, the United States and Romania

Georgiana Daniela BĂDICU*, Violeta-Andreea ANDREIANA**

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ABSTRACT

Tourism is a social phenomenon specific of man, known even since times out of mind, and it has recorded a rapid growth lately. At present, tourist products are designed to be able to meet every need and desire of all the consumers from everywhere. The present paper, "An analysis of the tourist competitiveness in Switzerland, the United States and Romania", is trying to highlight the similarities and the differences of tourist potential between the three countries under analysis: Switzerland, the United States of America and Romania, study the tourist competitiveness of the countries mentioned, and analyze a series of indicators pertaining to the three forms of tourist circulation: international inbound tourism, internal tourism and international outbound tourism.

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1. Introduction

In the national economy, tourism is part of the tertiary sector, the category of consumption services. From the perspective of its economic functions, tourism represents the group of personal services with a direct influence on people. The rich natural assets (relief, climate), and civilizational and cultural assets available in a country or an area, and also their degree of arrangement exerts a great force of attraction on the tourist flows, determining the volume of the tourist circulation, its structure and its trends. In time, tourism has become one of the largest international industries, which any country would like to develop to contribute to its national economy. We have realized the present paper to identify the positions occupied by the three countries under analysis, to outline the true problems they are faced with and to propose solutions for the improvement of the present situation of Romania, based on the experience and the efforts made by the other two countries.

2. The Travel and Tourism Competitiveness Index - an analysis for Switzerland, the United States of America and Romania

"The competitive analysis of tourist resources enables the introduction of each country in a tourist market - either global or regional - and the differences between them highlight the advantages, and implicitly the competitiveness, but also the domain where it is necessary to take action to develop tourism, as it is well known that technical means and human capital can be improved via investments" (Minciu, 2007).

The World Economic Forum published "The Travel & Tourism Competitiveness Report 2011", in which a number of 139 countries were studied in order to highlight the strengths and weaknesses in tourism. In the paper mentioned above, "The Travel & Tourism Competitiveness Index" (TTCI) was computed, this index showing the key elements and policies in tourism and travel that make a country attractive. For the interpretation of the TTCI score mentioned below, the following remark needs to be made: the score can take fractional values situated inside the interval (1-7), the closer the value is to 7, the better the situation is, indicating a favorable and positive situation, by contrast to a lower value, tending to 1, which highlights a negative result, a completely unfavorable situation for the country referred to.

The place for a country under analysis among all the others can be from 1 to 139, whole values. The countries occupying the first ten positions are considered countries with a competitive privilege, while those that are not included in these first ten positions present shortcomings in the competitiveness field.

According to "The Travel & Tourism Competitiveness Report 2011" (Blanke and Chiesa, 2011), the best rated country at global level and at European level, too, considering the global index TTCI in the year 2011, is Switzerland, occupying the first place among the 139 countries under analysis, the same place as in the year 2009, when 133 countries were studied.

*, ** Valahia University of Târgoviște, Romania. E-mail addresses: monicad_d@yahoo.com (G.D. Badicu), andreea.vivi@yahoo.com (V.A. Andreiana).

The second place, according to the TTCI index for the year 2011, is occupied by Germany (at global and also at European level), which moved up a place compared to the year 2009. In the year 2011, the third position is occupied by France, having the same evolution as Germany, compared to the year 2009.

United States of America, according to TTCI global index, occupies the 6th position, moving up two places, compared to the classification of the year 2009, while according to the TTCI index for the American region, USA is the first in the year 2011.

In this report, Romania is placed on 34th position among the European countries, while, in the global classification, Romania is the 63rd in the year 2011, moving up 3 positions by comparison with the year 2009, when its position was 66.

The global TTCI score (Blanke and Chiesa, 2011) of Switzerland in the year 2011 was 5.68 (the best one), being the first in the classification. The TTCI values are situated in the interval (1-7). In descending order, in the second position with a value of 5.50 is Germany, the third position is occupied by France with 5.41. The USA has a TTCI of 5.30, while Romania has a score of only 4.17.

A more detailed global analysis of the sub-index called *Regulation Framework* and its pillars allows us to add the following comments (Blanke and Chiesa, 2011): Switzerland occupies the first place according to this sub-index among all the 139 countries under analysis. The United States of America occupy the 44th position in the global classification of 139 countries. Romania is situated on the 51st place according to this sub-index.

According to the Regulations sub-index, the second place is occupied by Iceland, followed by Austria, whereas the first three countries in point of tourist safety and security are: Finland, Switzerland and Norway.

A detailed analysis of the pillars of the sub-index *Regulation Framework* allows us to observe that the countries under analysis occupied the following positions (Blanke and Chiesa, 2011):

- Policies and regulations are established by state-run institutions and can help develop the tourist sector, or can restrict it. Therefore, the United States of America occupy the 16th position of 139, followed close behind by Switzerland, which is situated on the 18th place, while Romania is situated at a great distance from the first two, on the 63rd place of 139.

This pillar includes many variables, out of which we can mention: visa requirements (Romania occupies the same position as Switzerland, namely 42nd out of 139, the United States of America is situated after 56 positions, respectively on the 98th place, at a great distance from the first two countries), and the needed costs for a startup (the United States of America is the best rated among the three countries under analysis, occupying the 17th position, because they offer monetary possibilities for a new business, and at a distance of 8 positions behind comes Switzerland, Romania being situated on the 30th place, 5 positions below).

- Environmental sustainability refers to the sustainable development policy promoted by a country, and to the impact of tourism on the environment. Referring to this aspect, Switzerland gives a great importance to this pillar, occupying the second position, while Romania is concerned with the sustainable development of tourism and occupies the 50th place among 139 countries. Far away from Romania is the United States of America, situated on the 105th place.

The variables of this pillar are: carbon dioxide emissions (Romania is situated on the 74th position, followed at a little distance by Switzerland, the 80th place, while the United States of America occupy the 130th place), threatened species (the greatest importance given to this aspect is recorded by Switzerland, situated on the 6th position, while our country is situated on the 61st place, followed at a great distance by the United States of America, occupying the 122nd position out of the total of 139 countries).

- Safety and security is an essential factor of a country's competitiveness; according to this aspect, Switzerland occupies the second position, Romania is on the 35th place out of 139 countries, while the United States of America is situated after 27 positions, on the 62nd place.

Analyzing the variable of traffic accidents, it can be noticed that Switzerland is situated on the 5th position, the best position out of the three countries under analysis, while Romania occupies the 40th place, in front of the United States of America, which occupies the 53rd place.

- Health and hygiene is another essential factor in point of tourist comfort, therefore, considering this aspect, Switzerland is situated on the 13th position, the United States of America on the 45th, and, at a distance of 14 positions, is Romania, on the 59th place out of the 139 countries.

Analyzing the variable "number of beds in hospitals", we come to the conclusion that Romania is the best situated among the countries under analysis, occupying the 20th position, followed after 9 positions by Switzerland, on the 29th place, while the United States of America occupies the 53rd place in the top 139.

- Prioritization of tourism should be an issue of major interest for each country; in point of this aspect, Switzerland is situated on the 14th place, followed by the United States of America, on the 33rd position, whereas Romania is on the 80th position.

There are two variables belonging to this pillar that are presented below: provision of complex annual information regarding tourism and travel (the first place among the three countries under analysis is occupied by our country, namely 44th out of 139, followed by the United States of America, situated on the 58th position, then Switzerland on the 75th position), and promptitude of provision of annual/quarterly

information regarding tourism and travel (Romania and Switzerland are situated on the same position, the 12th, the United States of America being situated at a great distance from them, on the 58th place in the top 139).

According to the sub-index Tourist infrastructure and environment (Blanke and Chiesa, 2011), Switzerland occupies the first place, 2 places away from the United States of America, situated on the 3rd place, while Romania occupies the 66th position.

- Competitiveness of prices in tourist industry: the lower the prices, the more attractive a country is. The only category situating Romania on a better position than the other two countries under analysis (Switzerland, and the United States of America), belonging to a sub-index, is competitiveness of the prices in the tourist industry, where Romania is situated on the 80th position, the United States being 20 positions below, on the 100th position, and Switzerland, on the 127th place out of 139 countries. The first three positions are occupied by Brunei, Gambia and Malaysia.

The third category of the TTCI comprises the sub-index *Natural, cultural and human resources of tourism* (Blanke and Chiesa, 2011): the United States of America is situated on the 1st place, followed by Switzerland on the 2nd and Great Britain on the 3rd, Romania occupying the 66th place out of 139 positions. The following pillars belong to this sub-index (Blanke and Chiesa, 2011):

- Human resources in education and health: the 1st place is occupied by Switzerland, 10 positions below, on the 11th place, is the United States of America, and Romania occupies the 63rd out of 139 positions.

The variable *Human resources' level of education* is reflected in tourist competitiveness, hence Switzerland occupies the 2nd place, followed at a little distance by the United States of America, situated on the 10th position, and at a great distance by Romania, which occupies the 72nd place.

- Tourist preferences refer to the openness of a country, and the tourists' attitude: the best rated country is also Switzerland, situated on the 34th position out of 139, the following is Romania, situated on the 95th place and at a distance of 9 positions away is the United States of America, on the 104th place.

A variable of the pillar refers to *population's attitude toward foreign visitors*, therefore, the Swiss people are very friendly to foreign visitors, occupying the 19th place, Romania occupies the 87th position out of 139, and The United States of America is situated on the 101st place of the classification.

Natural resources are made up of natural environment, and heritage sites: the most privileged is the United States of America, situated on the 3rd place, followed by Switzerland on the 16th, and Romania on the 94th position out of 139. In point of the natural potential, the best rated country is Brazil followed by Tanzania.

The most important variable of this pillar is the *number of world natural heritage sites*: the 2nd place is occupied by the United States of America, followed by Switzerland, on the 17th position, and by our country on the 43rd position.

- *Cultural resources* represent an essential factor of competitiveness, among them we can cite: exhibitions, fairs and UNESCO world heritage properties; regarding this aspect, the cultural resources of the United States of America occupy the 6th place, three positions below is Switzerland, on the 9th place, while Romania is on the 41st position out of 139 countries. The most important cultural heritage sites belong to Sweden, Spain and Great Britain.

The most important variable of this pillar is *the number of world cultural heritage sites*, and, concerning this aspect, the United States of America being situated on the 25th position, at a little distance is Romania, on the 29th place, and Switzerland is on the 38th.

3. International inbound and outbound tourism

While studying the international inbound tourism of the countries under analysis, the following tendencies were noticed for the interval 2009-2011 (World Tourism Organization, 2013): concerning the *tourists' overnight stays*, Romania registered an rising trend in the interval under analysis: in the year 2009, there were 7,940 thousand overnight stays, next year the value reported an increase by 300 thousand overnight stays, and in the year 2011, an increase was again reported, up to 9,130 thousand overnight stays; Switzerland reported fluctuations in the interval 2009-2011. Therefore, a slight increase of 334 thousand of the overnight stays in the year 2010 was reported by comparison with the year 2009, reaching 8,628 thousand overnight stays in the year 2010, while in the year 2011 a slight decrease of 94 thousand was reported, reaching a total amount of 8,534 thousand overnight stays.

The United States of America also registered a significant rise in the interval 2009-2011. Starting from an amount of 54,962 thousand overnight stays in the year 2009, the next year, an increase of 4834 thousand was reported, up to a total of 59,796 thousand overnight stays, while in the year 2011 a rise was again reported, up to the amount of 62,711 thousand overnight stays.

The areas yielding the greatest numbers of inbound tourists in Romania in the 2007-2011 interval are the following: Europe is on top – the best time was the year 2008 (8,506 thousand tourists), after this year, a descending trend followed for the next two years (in the year 2010, a number of only 7,179 thousand tourists was reported), while, in the year 2011, a slight rise to 7,267 thousand tourists was registered; America is 2nd: also, in the year 2008, the greatest value was reported (192 thousand tourists), followed by a decline for the subsequent two years, whereas, in the year 2011, a slight growth to 182 thousand tourists was

reported; Eastern Asia and the Pacific area are the 3rd in the top of inbound tourists visiting Romania, with fluctuations for the analyzed interval: in the year 2011, a total of 92 thousand tourists x was reported, compared to 80 thousand tourists in the year 2007 (World Tourism Organization, 2013).

The inbound tourists visiting Romania in the year 2011 had as origin countries (Statistical Abstract, 2012) the following: Europe, with 80% of arrivals, among the most important countries of origin being the following: Great Britain – 145,057 tourists, Spain – 124,072 tourists, Germany – 460,013 tourists, Italy – 341,121 tourists, France – 211,765 tourists; 11.39% of arrivals belong to Asia, among which there is Israel, with 188,416 tourists; the American continent sent 8.2% of all the inbound tourists, the most important country being the United States of America, with 158,757 tourists.

Switzerland, as a tourist destination, is preferred by the following regions (World Tourism Organization, 2013): the 1st position is occupied again by Europe, which, in the analyzed interval, 2007-2011, did not report major changes in the arrivals of tourists (in the year 2007, there were reported 6,226 thousand tourists, whereas, in the year 2011, the total amount diminished to 5,868 thousand tourists); for the American continent, fluctuations were reported in the inbound tourists travelling to Switzerland: hence, in the interval 2007-2009, a decline in tourist arrivals was registered, from 954 thousand tourists to 820 thousand tourists, whereas for the subsequent two years, the number of tourists rose to 924 thousands in the year 2011; Eastern Asia and the Pacific area have different values concerning the number of tourists for the interval under analysis, therefore, in the year 2008, the amount was 861 thousand tourists, whereas, in the year 2011, it reached 1,323 thousand tourists.

In the year 2010, options for Switzerland as a tourist destination were reported from the following countries (Statistical data on Switzerland, 2012): Germany – 5.817 million tourists, Great Britain – 1.854 million tourists, France – 1.443 million tourists, the United States of America – 1.506 million tourists, Italy – 1.074 million tourists.

The United States of America is visited by tourists coming especially from the following regions (World Tourism Organization, 2013): the first in top is America, during the analyzed interval, variations of arrivals were shown, hence, in the year 2009, 35,912 thousand tourists were reported, the subsequent two years, a significant increase was registered, up to 40,423 thousand tourists; Europe occupies the 2nd place, the year 2008 being the year with the smallest number of arrivals, respectively 11,839 thousand tourists, whereas, in the year 2011, the number of tourists increased up to 13,115 thousand tourists; the 3rd place is occupied by Eastern Asia and the Pacific area: in the year 2009, there were only 5,906 thousand arrivals, for the next two years, a rise up to 7,728 thousand tourists being recorded.

In the year 2010, in the United States of America, the tourists arrived from the following countries (World Tourism Organization, 2013): Canada – 19,964 thousand tourists, Mexico – 13,469 thousand tourists, United Kingdom – 3,851 thousand tourists, Japan – 3,386 tourists, Germany – 1,726 thousand tourists.

Concerning the *means of transport*, the preferences for the inbound tourists mentioned above are as follows (World Tourism Organization, 2013): most tourists arriving in Romania choose the terrestrial routes (most of them choosing the car transport), the second travel mode preferred is by air, while the river and maritime transport have a quite little significance in reaching this holiday destination; in the United States of America, tourists travel especially by plane, the terrestrial transport being the second choice, whereas the last place is occupied, like in the case of Romania, by the river and maritime transport.

By studying the accommodation services, especially hotels and similar establishments (World Tourism Organization, 2013), we will analyze the number of guests and the overnight stays, but also the average length of stay. Thus, in Romania, in the interval between 2007 and 2009, both a rising and a descending trend were reported for the last two years. In the first year, 2007, the number of guests was 1,531 thousand, the subsequent year, it declined by 92 thousand guests, the smallest number of guests being reported in the year 2009, namely 1,255 thousand guests, whereas the next two years showed an increase of the arrivals, so that, in the year 2011, it reached 1,494 thousand guests.

During the interval under analysis, fluctuations were reported in the evolution of the overnight stays, the first three years showed a decreasing trend, from 3,497 thousand overnight stays in the year 2007 to 2,382 thousand overnight stays, the following year, an increase by 82 thousand overnight stays was attained, whereas in the year 2011 a total of 1,494 thousand overnight stays was reported.

The average length of stay in our country for the analyzed interval showed a continuous tendency of decline, starting from 2.28 nights in the year 2007 to 1.99 nights in the year 2011.

In Switzerland, fluctuations were reported in the number of guests: thus, in the year 2007, the amount was 8,448 thousand guests, in the year 2009, compared to the previous year, a rise to 8,294 thousand guests was reported, and, in the year 2011, there were 8,534 thousand guests, after a slight decline.

The overnight stays in Switzerland had different values for the interval between 2009 and 2010, starting from 20,918 thousands in the year 2007, the following year, a rise by 590 thousand overnight stays was registered, in the year 2010, a number of 20,443 thousand overnight stays was reported, while the following year recorded a decline.

The average length of stay in Switzerland did not show significant fluctuations, the average length of stay for the analyzed period being between 2.31 and 2.50 nights.

The United States of America showed major fluctuations concerning the inbound guests, from 18,755 thousand guests in the year 2006 to 20,045 thousand guests in the year 2008; the subsequent year, a smaller value was reported, compared to the year 2007, and in 2010-2011 a rising trend was registered, reaching 22,111 thousand guests in the year 2011.

The average length of stay in the USA showed fluctuations during the interval under analysis, then, from 7.90 nights in the year 2007, it reached 8.20 nights in the year 2009 and 8.80 nights in the year 2011.

In the year 2008, there was reported a number of 13,072 thousand overnight stays by Romanian residents in other countries; in the year 2009, a major decline was reported, reaching 11,723 thousand overnight stays abroad; in the year 2008, the Swiss tourists booked 11,147 thousand overnight stays abroad, and the next year was marked by a decline reaching 10,453 thousand overnight stays. The United States of America residents were reported in the year 2008 with a number of 63,564 thousand overnight stays abroad, whereas, in the year 2009, their number showed a tendency of decline, reaching a number of 61,419 thousand overnight stays.

4. Internal tourism

Analyzing the internal tourism activity (World Tourism Organization, 2013), we can notice the following aspects: during 2008-2009, in Romania, the overnight stays of the residents presented a rising trend, up to 11,651 thousand overnight stays, while, in the year 2010, a decline to 10,797 thousand overnight stays was reported. The average length of stay, in the year 2010, compared to the year 2009, presented a slight decline, down to 2.80 nights. The only means of transport was the terrestrial transport, especially by car.

During 2008-2010, in Switzerland, a decline in the number of overnight stays was reported, down to 6,584 thousand from 8,922 thousand overnight stays in the year 2008. The preferred travel mode was the car transport, followed by the rail transport. During the analyzed interval, the average length of stay for the residents was between 2.08 and 2.14 nights, recording a slight decline.

In the United States of America, the overnight stays of the US residents showed fluctuations, in the year 2009 reaching 1,900,100 thousand overnight stays, and, in the year 2010, rose to 1,963,700 thousand. The average length of stay in the United States of America was continuously rising from 18.00 nights in the year 2008 to 18.60 nights in the year 2010. Analyzing the tourist industry from the perspective of accommodation in hotels and similar establishments, we can notice the following aspects (World Tourism Organization, 2012): during the interval 2006-2010, in Romania, the number of hotels and similar establishments was permanently rising, from 4,125 in the year 2006, to 4,781 in the year 2010. The same tendency was noticed also in the number of rooms, starting from 112,177 in the year 2007 and reaching 126,171 in the year 2010.

In Switzerland, the number of hotels and similar establishments did not show important fluctuations: during the interval 2006-2010, their number remained almost the same, starting from 5,653 and reaching 5,477, thus, a continuous decline being recorded. The trend in the number of rooms was rising, from 141,569 in the year 2007 to 142,815 in the year 2010.

During the interval under analysis, in the United States of America, the number of hotels and similar establishments increased permanently from 48,062 to 51,015; following the same trend, as it was normal, the number of rooms increased from 4,476,191 in the year 2006 to 4,801,890 in the year 2010.

The tourist industry indicators (World Tourism Organization, 2013) refer to various aspects of the available number of beds: the bed occupancy rates in Romania showed fluctuations, both positive and negative, in the year 2009 being reported the minimum of 28.40%, and, in the year 2007, the maximum of 36%; the bed occupancy rate in Switzerland also registered some variations, the best year being the year 2008, when the rate was 44.55%, and the worst year being the year 2009, with a rate of 42.59%; in the United States of America, the occupancy rate recorded a declining trend for the first three years of the interval under analysis, but in the year 2010 a rise to 57.60% from 54.50% in the year 2009 was reported.

5. Conclusions and recommendations

Analyzing the characteristics of the TTCI for the year 2011, we can conclude that:

- Switzerland occupies the 1st place in point of the sub-index *Regulations Framework and Infrastructure and tourism business environment*. Concerning the 3rd sub-index, *Natural, cultural and human resources*, Switzerland ranks second;
- The United States of America presents great differences of position for the three sub-indices under analysis. In point of the sub-index *Natural, cultural and human resources* USA occupies the 1st place, preceding Switzerland, while for the sub-index *Infrastructure and tourism business environment*, The United States of America is situated on the 3rd position. The sub-index which disadvantages the general position of this country is *Regulations Framework*, The United States being on 44th position according to it;
- Our country does not record significant differences for the three sub-indices analyzed. Both the sub-index *Infrastructure and tourism business environment*, and *Natural, cultural and human resources* are situated

on the 66th position. The first sub-index analyzed, *Regulations Framework*, is on a more privileged position for Romania, being on the 51st position.

Studying the evolution of overnight stays during 2009-2011 for the inbound tourism of the countries under analysis, can we highlight the following trends: Switzerland had the best year in 2010, and the United States of America had a continuously rising evolution, registering significant values. During the interval under analysis, our country had a good ascending evolution.

Concerning the outbound tourism, we can notice that all the three countries under analysis reported a decline of their number of overnight stays during 2008-2009. The major reason for this decline is the emergence of economic crisis' effects at the global level.

Analyzing the evolution of the internal tourism, we can say that: Switzerland reported a major decline in its number of overnight stays. The United States of America, after a decline in the year 2009, succeeded to reach, in the year 2010, almost the same amount as in the year 2008. During the period 2008-2009, Romania showed a rising trend, but in the year 2010, it reported a decline in the number of overnight stays, though it did not reach the level of the year 2008.

From the general analysis of the tourist sector presented so far, we can recommend some improvement measures for the development of the Romanian tourism:

- improving the investments and the control over the education system, the basis for the economic and the general progress of a country;
- alleviating the corruption and reducing the political instability in the country;
- increasing the availability of the new technologies, which can help the country in its endeavors, developing the cultural level of the population, but also attracting new direct foreign investments;
- establishing economic instruments for ensuring a good quality of services at low prices;
- preserving the natural heritage and investing in new research fields for discovering and exploiting certain objectives;
- a greater extension of the number of protected areas and a more exigent control of the application of the legislation;
- maintaining the present pollution level and even adopting laws that refer to environmental protection;
- tourism agents should attend various courses aimed at improving the services to the customer, and there they should be explained the importance of sincerity in their relationship with the client;
- improving the legislative framework regarding the control of the agents' honesty;
- facilitating the increase of the number of transport operators, in order to create better conditions for a stronger competition on the transport market, and implicitly opportunities of price reduction and service improvement;
- accessing more European funds to build new accommodation units in places that are harder to reach and offering access to communication services.

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