

# HOTEL MANAGERS' PERCEPTIONS OF THE IMPACT OF SOME GLOBAL PHENOMENA ON TOURISM. CASE STUDY ROMANIA - ITALY

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**Abstract:** *Tourism is very sensitive to events that could trouble what is normal from a natural, economic, political and social point of view in the tourists' countries, in the countries they visit, and in the countries of transit. Consequently, the economic crises, the military, social or ethnical conflicts, the natural disasters, the terrorism acts and the negative publicity following them bring serious damage to the tourist activity in the areas where they are produced. The present work emphasises the perception of Romanian and Italian hotel managers of these phenomena that have an impact on tourism, using a comparative approach. In order to reach this objective, we have applied the questionnaire as a research instrument, with the help of which we have gathered the primary data, which were processed using the SPSS software.*

**Keywords:** economic crisis; terrorism; diseases; climatic changes; tourism.

**JEL Classification:** G01; Q54; L83.

## INTRODUCTION

The economic crisis, terrorism and military conflicts, diseases and natural disasters are external factors that could influence negatively the flow of foreign tourists towards certain destinations, and implicitly the tourism businesses.

In 2008, Eduardo Fayos-Solá, representative of UNWTO for Europe, considered that the tourism would be affected in the following years by the world economic and financial crisis, since everything would be more expensive, and that the people should take care of the way they administered their money. This could be seen afterwards in the decrease of the number of tourists in the world, in the bankruptcy of different operators in tourism industry, and also in the increase of unemployment for the population occupied in tourism.

The decrease of the tourist circulation is also influenced by terrorism, another factor that affects tourism in all its components. The terrorist acts in the 1980', 1990', culminating with the ones on September 11<sup>th</sup>, 2001, had deep effects over the tourism industry and over the entire world. They

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determined the cancellation of holidays or the tourists' reorientation towards safer destinations, and substantial efforts to reinforce the affected tourist destinations. The tourists could easily choose safer destinations; however, the negative effects of the events affecting the destinations were hard to remove.

Besides the economic and financial crisis and terrorism, diseases are another factor of pressure over the tourism industry, with both human and financial losses.

In the case of the phenomena mentioned above, tourism is more likely a victim. However, we cannot state the same thing in the case of environmental problems, where tourism is both victim and generating factor. As a generating factor, tourism contributes to the global warming and pollution, especially by the emissions of carbon dioxide of the planes and vehicles (which assure both tourists' transportation and the transport of the products necessary to satisfy their needs at the destination), and also by the use of energy (which is vital for any food or accommodation unit, both for technological processes, and for the customers 'personal use) and fuel for different installations (liquid and gas fuel are used for the preparation of domestic hot water, central heating, technological steam for laundries/dry cleanings etc.).

Also, by the change of the destination of some fields, and by excessive urbanisation of some areas of tourist interest, or by the deforestations realised for building the infrastructure specific to its development, tourism contributes both to the increase of the volume of gas with greenhouse effect, and to the destruction of biodiversity.

These are just a few elements demonstrating that tourism is extremely vulnerable to the phenomena affecting the economic, social, or natural environment.

## **1. LITERATURE REVIEW**

### **1.1. Tourism and economic crises**

A review of the literature on tourism and crisis suggests that economic and financial crises receive the most research attention, with these crises events often being linked to other events such as terrorism and increased energy costs (Hall, 2010).

The global financial and economic downturn that affected tourism from 2007 through to 2010 and beyond has cast substantial attention on the role that crisis events play in tourism. These concerns have



only been exacerbated by natural disaster, such as the 2010 Icelandic volcanic plume, pandemics, and the potential of future global change (Hall, 2010).

The highest impact of the global economic crisis was on international arrivals of tourists in the countries with advanced economies that also experienced most acutely the reduction of the income from tourism (Sheldon and Dwyer, 2010).

A study conducted by UNWTO highlighted the fact that the number of travels with tourist purpose lowered by 8% between January and April 2009, as compared to the same period of the preceding year. Many tourists, from fear of the economic crisis, continued to stay at home, cancelling their travels.

In addition, more and more companies are tightening their travel cost guidelines. Employees travelling on official business are barely allowed to book business class or even first class tickets any more, regardless of their hierarchy level. Car rental firms are also noticing companies' restraint with regard to business trips. When it comes to rail travel, many travel managers are instructing their business travellers to journey second class from now on. In the hotel industry, the high quality segment has been hit particularly hard by the property and financial crisis, by up to 20% of its turnover. Again, the reason for this is the absence of many business travellers, who traditionally tend to favour upscale accommodation (Pechlaner and Frehse, 2010).

## **1.2. Tourism and terrorism**

According to Pizam and Mansfeld (1996), safety, peace and quietness are the main conditions for a prosperous tourism, because the majority of tourists do not spend their money to go to a destination where their safety and wellness could be at risk. The terrorist attacks had always a strong negative impact, and they were a shock for the tourists and a change of the image and attractiveness of the tourist destination (Araña and León, 2008).

In general, the risk of terrorism affects the process of making the decision to travel (Sonmez and Graefe, 1998), it alters the tourists' behaviour during the journey to the risky destinations (Mukesh and Priyanka, 2014), and it determines the substitution of the choice of risky tourist destination with safer choices (Pizam and Mansfeld, 1996).



The bomb attacks in Bali had serious consequences over the tourism in Indonesia and South-East Asia. They determined the lowering of the number of tourists and great efforts of the authorities to re-attract tourists and to assure them in what concerns their safety and security (Henderson, 2003).

Different cultural and religious strategies, like the inter-religious cult and the consolidation of the capacities of mutual security, were adopted in order to help manage the crisis and re-building tourists' trust (Hitchcock and Putra, 2005). An important role belonged to the politicians, who had to act accordingly in order to lower tourism vulnerability (Richter, 1986).

### **1.3. Tourism and diseases**

Other phenomena, like SARS (Severe Acute Respiratory Syndrome), H5N1, and H1N1 turned the world attention to pandemic threats. The increase of the number of tourist travels is one of the factors determining the spread of diseases in the world. The rapid propagation of SARS from Hong Kong to Toronto in 2003 demonstrated the quickness with which extremely pathogenic diseases can spread in the entire world (Gushulak, 2009). In a few weeks, SARS infected over 8000 people in 26 countries from 5 continents by the intermediation of 16 persons who had been infected by a doctor who had spent a single night in a hotel in Hong Kong (Peiris et al., 2004). The economic loss generated by this disease was estimated to 30-140 billion dollars (Skowronski et al., 2005). In the case of AIDS, the studies suggest that it spread over at least 5 continents, by air transport, sea travels, and human migration, and certain groups of people who are mobile and sexually active, among whom tourists as well, are important in spreading the disease (Chin and Mann, 1989).

### **1.4. Tourism and the environmental crisis**

Tourism has a strong impact on the environment (Goessling, 2002), and a substantial impact on climate (Hamilton et al., 2005).

The increase of the number of tourist facilities leads to the fragmentation, and even to the destruction of the habitats, and implicitly to the decrease of the populations of plants and animals, which means the degradation of the biodiversity. Also, the destruction of some ecosystems is caused by the



introduction of foreign species (wild or cultivated plants, insects, diseases) by tourists. Tourists could also influence the loss of the biodiversity by their hiking in certain areas, or by stressing the wild animals with their activities (Hall, 2008).

In what concerns the natural disasters, the research in the field shows that 90% (floods, storms, droughts, earthquakes, snowfalls, extreme temperatures, fires, volcanic eruptions) have a climatic origin, and can highly affect tourism.

For example, key ecosystems offering winter sport and beach holiday facilities will be directly threatened by global warming and sea level rise. Enhanced temperatures in the mid-latitudes may well reduce the relative attraction of some Mediterranean and longer-haul destinations, especially if areas like the Caribbean become more prone to hurricanes (Smith, 1990). The extreme temperatures, the intensification of hurricanes, the melting of the ice caps, the rise of the level of seas and oceans threatens with the disappearance of special tourist destinations, like Maldives Islands, the Bahamas, the historical areas of many European cities, and so on (Haden, 2007). The warming and the acidification of sea waters will also lead to the decline of biodiversity. A small variation of temperature for a short period of time is enough to determine the corals, which are a special attraction for the tourists, and which host an exceptional biodiversity, to reject the algae they feed with, leading to the sudden “whitening” and death of many reefs (Hoegh-Guldberg et al., 2007).

Global warming indirectly contributes to the increase of human health issues. Tourists can influence with their travels the extension of the incidence of the diseases carried by aquatic vectors, like West Nile virus, Lyme disease, or malaria (Hall, 2006, Medlock, 2005). The increasing tourist travels and the human migration determine every year the appearance of over 40,000 of new cases of malaria only in Europe (Toovey and Jamieson, 2003). The tourists may contact malaria even if they just sit on the beach (Berry et al., 2011). The floods can also bring diseases like cholera and diarrhoea, and the spreading territory of the tropical diseases like Dengue fever might increase with global warming (Ansart et al., 2005).

These are just a few effects generated by the appearance of such phenomena, which are interconnected most of the times. Furthermore, all the phenomena mentioned above share a mutual element, which is represented by the psychosis generated by such events.



## 2. RESEARCH METHODOLOGY

The purpose of the research is the identification of the phenomenon with the highest impact on tourism, according to the perception of the managers in hotel industry.

The objectives of the research aim as follows:

**O1:** Identification of the hotel managers' perception of the impact of the economic crisis on tourism;

**O2:** Identification of the hotel managers' perception of the impact of terrorism;

**O3:** Emphasis of the hotel managers' perception of the impact of diseases;

**O4:** Emphasis of the hotel managers' perception of the impact of the phenomena generated by environmental issues.

In order to reach our purpose, we chose the inquiry research, because it assures a great flexibility, and the data and information are obtained more rapidly than in the case of other methods.

In the development of the questionnaire, we established the types of questions: closed questions, multichotomous questions, and questions with scale answers. We chose the closed questions, because they allow the easy codification of the answers, and implicitly the easier and quicker analysis of the data, and the questions with scale answers allow the evaluation of the intensity of the subject's opinions. The data obtained after the administration of the questionnaire were processed with the help of SPSS 13 statistical software.

In what concerns the sample group under research, 53.3% are hotel managers in Romania/North-East Region, and 46.7% are hotel managers in Italy/ Veneto Region. According to the category of comfort – most of the hotels are 3\*\*\* and 4\*\*\*\* hotels, and according to the number of employees– most of the hotels have between 10 and 249 employees.

## 3. RESULTS AND INTERPRETATION

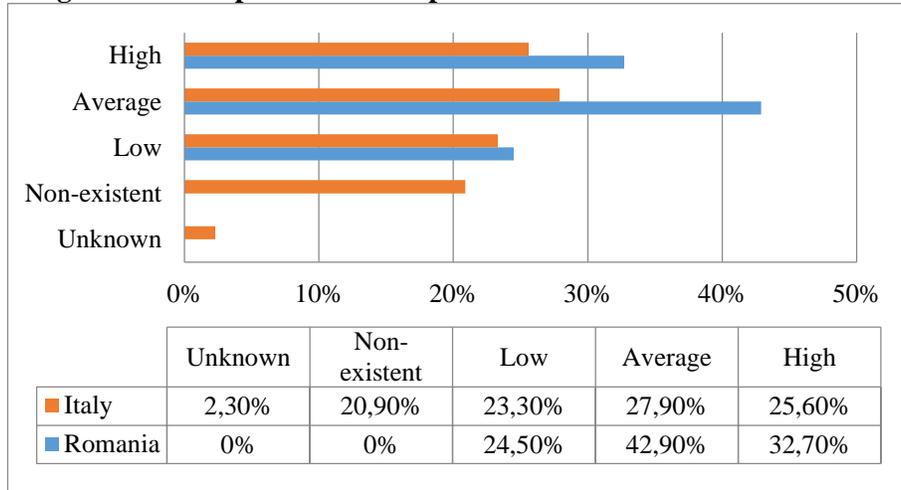
The study is primarily focused on the identification of hotel managers' perception of the extent to which the global phenomena mentioned above influence or could influence their activity.



The first phenomenon analysed is the economic and financial crisis. The data reflecting the perception of the population investigated on this phenomenon are presented in figure 1.

In figure 1 we can see that there are differences between the perception of the Romanian managers and that of the Italian managers in what concerns the impact of the economic crisis on tourism. Consequently, Romanian managers perceive more acutely the negative influence of the economic crisis, their answers focusing on the variants of answer: high (42.9%), very high (32.7%) and average (24.5%).

**Figure 1 – Perceptions of the impact of the economic crisis on tourism**



Source: Authors computation

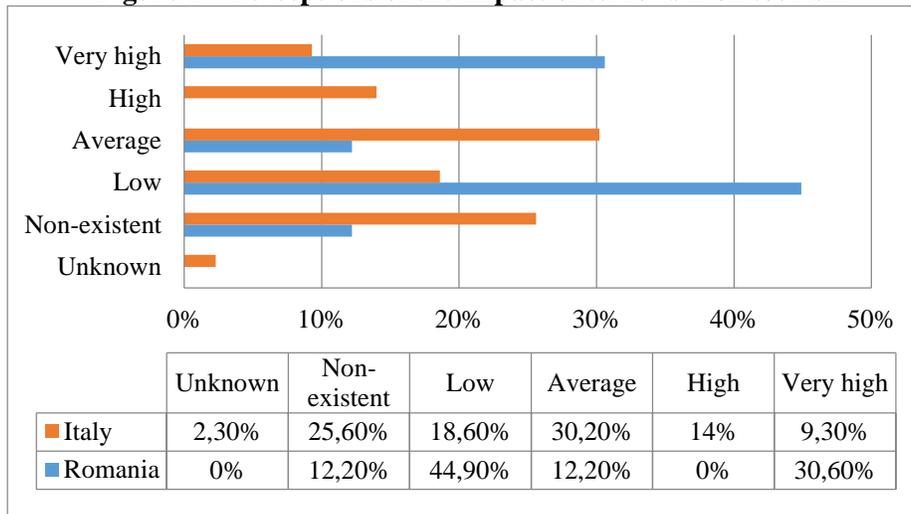
The Italian managers consider that the economic crisis is a phenomenon with average impact, offering close percentages for the variants of answer. Our attention is also attracted by the percentage of those who chose the variant of answer corresponding to a low impact (20.9%), or of those who consider that this phenomenon does not influence their activity. The figure also highlights the fact that both in Romania and in Italy, most of the persons who answered the questionnaire chose “high” as variant of answer; another element shared by both categories investigated was the approximately identical percentage of those who perceived the economic crisis as a phenomenon with average impact on tourism.

Another global phenomenon with impact on tourism that was proposed for analysis was terrorism. The data obtained are presented in figure 2.

From the perspective of the Romanian managers, terrorism has a rather low impact on tourism, 69.4% of the inquired persons choosing the variants of answer corresponding to this conclusion.

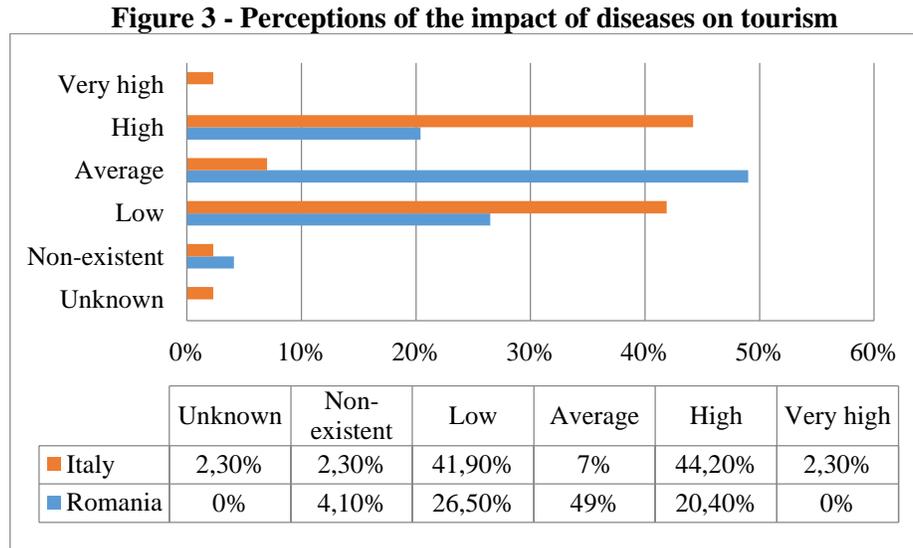
Consequently, 12.2% of the subjects state that terrorism does not influence tourism in any way, 44.9% consider that the impact of terrorism is low, and 12.2% that it is average. Only 30.6% of the subjects consider this phenomenon with a very high impact on tourism. In the case of Italy, most of the managers consider terrorism a phenomenon with average (30.2%) towards low impact (18.6%), while a quarter of them cannot see any relationship between tourism and terrorism, considering the impact as non-existent (25.6%). 14% of the managers consider that the acts of terrorism have a high negative influence over the tourism, and 9.3% - very high.

**Figure 2 – Perceptions of the impact of terrorism on tourism**



Source: Authors computation

In what concerns the diseases, the results are presented in figure 3.



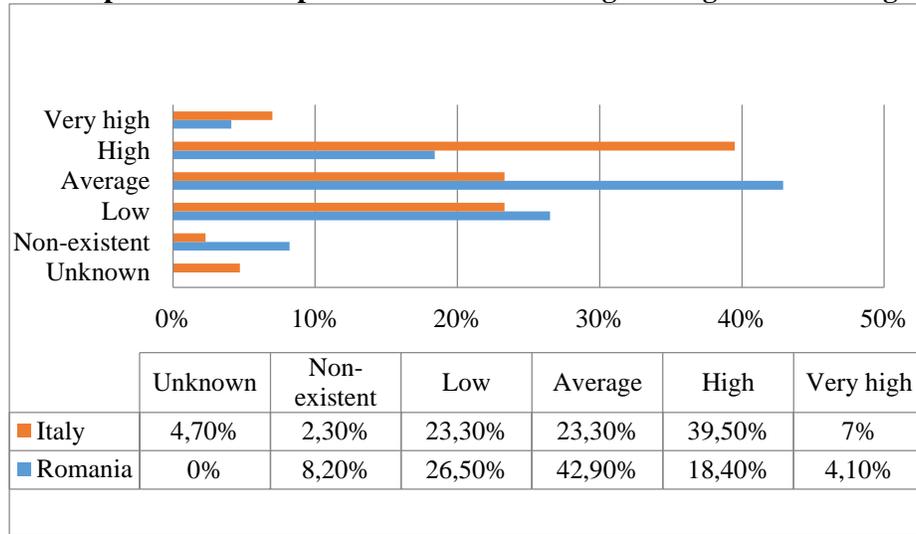
Source: Authors computation

We can see that most of the Romanian managers perceive this phenomenon as having an average impact on tourist activity (49%), even a low (26.5%) or non-existent one (4.1%); only 20.4% of them consider it has a high influence. In the case of the Italian managers, almost half consider that tourist activity is strongly influenced in a negative way by the incidence of diseases, while the other half of the hotel managers consider that diseases do not affect tourism very much, compared to other global phenomena.

Except the economic and financial crisis, terrorism and diseases, there are other phenomena as well, like the environmental ones, which register a negative influence on tourism. In the case of these phenomena, as we already mentioned, tourism is both a victim and a factor contributing to their aggravation.

The hotel managers' perception of the extent to which these phenomena affect tourism will be analysed below. In the case of the climatic changes and global warming, the situation is presented in figure 4.

**Figure 4 - Perceptions of the impact of the climatic changes and global warming on tourism**



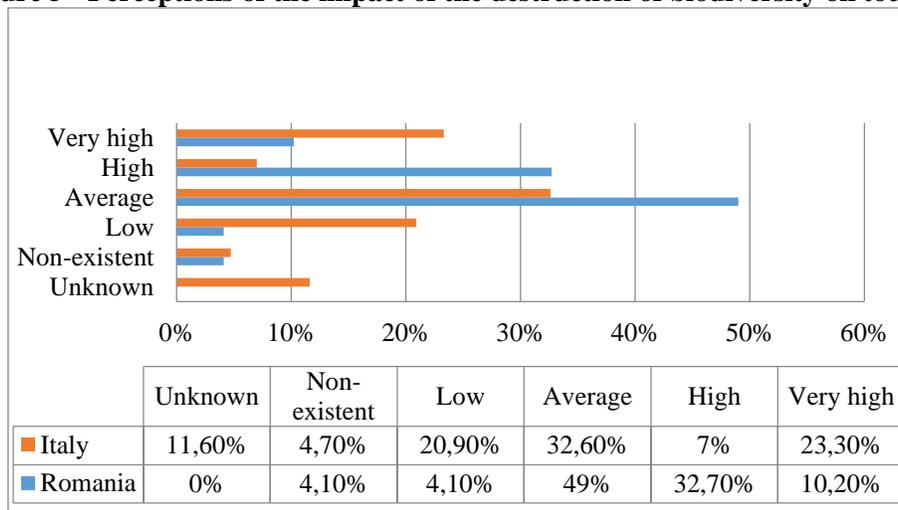
Source: Authors computation

In the case of Romania, most of the subjects perceive climatic changes and global warming as a phenomenon with average impact on tourism (42.9%), towards low impact (26.5%). Only 22.5% of them consider that this environmental issue affects in a high (18.4%) and very high degree (4.1%) tourist activity. 8.2% consider that this phenomenon has absolutely no influence on tourism.

In the case of Italy, climatic changes and global warming are seen as phenomena with high impact by 39.5% of the subjects, and very high impact– by 7% of them. The same number of subjects (23.3%) perceives the impact of these phenomena as being low or average. 4.7% declare that they do not know the possible influence of these issues.

Another important phenomenon is the destruction of the biodiversity. The results obtained are presented in figure 5.

**Figure 5 - Perceptions of the impact of the destruction of biodiversity on tourism**

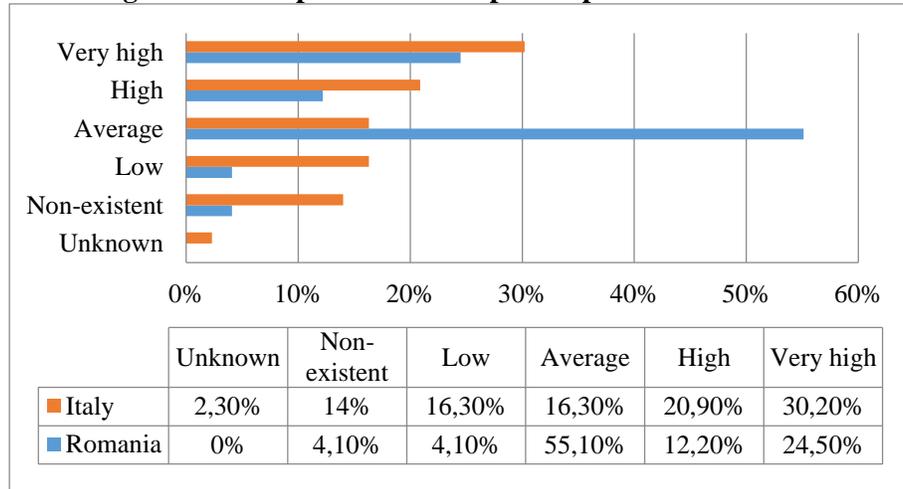


Source: Authors computation

Most of the subjects, both the Romanian managers (49%) and the Italian ones (32.6%), evaluate that the destruction of the biodiversity is an issue with average towards major impact on tourism. Consequently, the cumulated percentage of Romanian managers who chose the variants of answer “high” and “very high” is 42.9%, and in the case of the Italian managers it is 30.3%. We can see that 11.6% of the Italian managers do not know to which extent the destruction of the biodiversity could influence tourism. Also, we can see that 20.9% of them consider this phenomenon as having a low impact on tourism.

Pollution is another factor we analysed. The results obtained are presented in figure 6.

**Figure 6 - Perceptions of the impact of pollution on tourism**

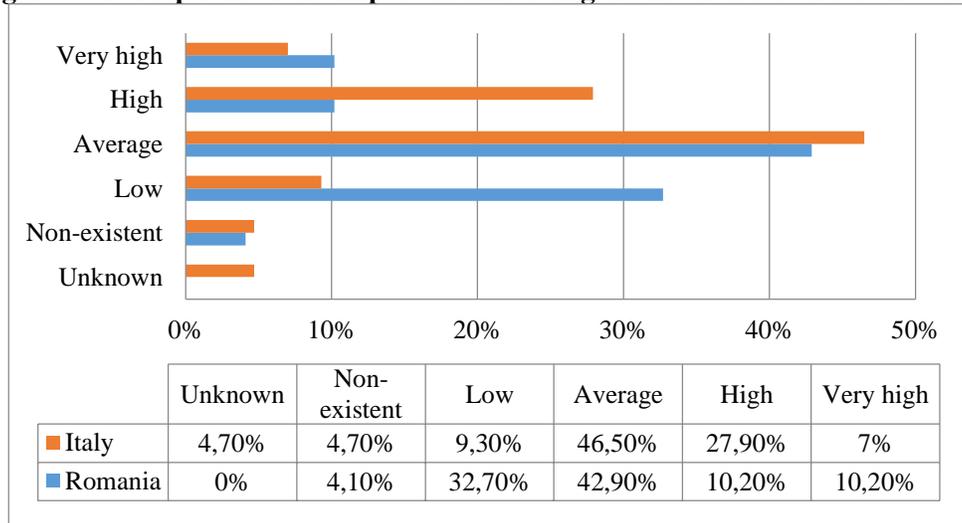


Source: Authors computation

The impact of pollution on tourism is perceived by most of the Romanian managers (55.1%) as a phenomenon of average intensity. A quarter of them (24.5%) evaluate pollution as a phenomenon with very high influence on tourism. Most of the Italian managers consider it a phenomenon with very high (30.2%) or high impact (20.9%). Also, 14% of them consider that pollution does not influence tourism.

Figure 7 illustrates the subjects' perceptions related to the impact which the exhaustion of natural resources has on tourism.

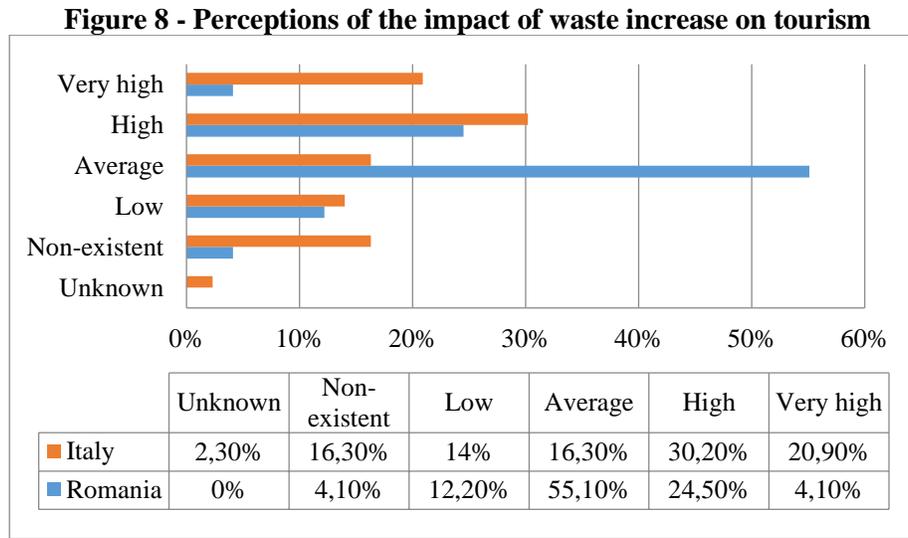
**Figure 7 - Perceptions of the impact of exhausting the natural resources on tourism**



Source: Authors computation

The perception of this issue is for most Romanian and Italian managers the same, the tendency being different. Consequently, the exhaustion of the natural resources is perceived like an issue with average (42.9%) towards low impact (32.7%) by the Romanians, as compared to the Italians, who perceive this issue as having rather an average (46.5%) towards high effect (27.9%).

The last issue analysed is the waste increase. Figure 8 presents the results obtained.



Source: Authors computation

The chart highlights the fact that most of the Romanian subjects (55.1%) consider the waste increase as a phenomenon with average impact on tourism, and 24.5% perceive it as a phenomenon of high intensity.

In the case of the Italians, we can see that the perception of half of them is that this phenomenon has a high (30.2%) and even very high impact (20.9%) on tourism. The other half perceives it, in close proportions, like an average, low, or non-existent phenomenon.

## CONCLUSIONS

No matter if the hotel managers admit it or not, all the phenomena presented have an impact on tourism, either higher or lower: some on short term, others on long term, some with immediate visible effects, others with long time effects, some globally, others just regionally.

Taking into account the variants of answer of high and very high intensity, the conclusions we made as a result of the analyses are as follows:

- The perception of Romanian and Italian managers is that the phenomenon with the highest impact on the tourism industry is the economic crisis, with the difference that there are more Romanian managers (75.6%) who perceive this phenomenon as such than the Italian ones (53.5%);
- Among the environmental issues affecting tourism, the most serious is the destruction of biodiversity for the Romanian managers, and to the same extent pollution and waste increase for the Italian managers;
- The phenomenon with the lowest impact on tourism is considered the exhaustion of natural resources, and diseases respectively, in the case of Romanian managers, and terrorism for the Italian managers.

The final conclusion is that, no matter what their nature is, these phenomena create difficult, even tragic situations in the affected areas, with human losses and suffering, with economic losses, with long-lasting negative publicity. Furthermore, global warming threatens with the disappearance of the most beautiful natural and cultural tourist destinations on earth, as well as of the human existence in some more sensitive areas.

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