ANALYSIS OF LOCAL TOURISM RESOURCES

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REVIEW

Abstract

Our geographical area, more precisely Bihor county, is rich in terms of resources that can be exploited in tourism. We have two nationally renowned areas in our county: Baile Felix Resort and Baile 1 Mai Resort. Both resorts have approximately the same types of natural and human resources. These resorts are known due to the benefits that the thermal water offers. V.R.I.O. analysis is often used to evaluate the resources available to a hotel in a tourist and spa area. This abbreviation -V.R.I.O.- is actually an acronym for value, rarity, inimitability and organization. It is used to ask four questions that the resources of a hotel and a tourist area should answer in order to determine the potential of the company and the area. A hotel and a tourist area can have a competitive advantage and more valuable resources, the more the latter have as many affirmative answers as possible to the following questions: "Is the resource valuable?" "Is the resource rare?", "Is the resource inimitable?" and "Is the resource supported by the organization?"

Keywords: resources, local tourism, spa resort, V.R.I.O analysis

INTRODUCTION

- V.R.I.O. analyze is often used to evaluate the resources available to a company since 1991. This abbreviation -V.R.I.O.- is actually an acronym for value, rarity, inimitability and organization. It is used to ask four questions that a firm's resources should answer in order to determine the firm's potential. A company can have a competitive advantage and more valuable resources the more the latter have as many affirmative answers as possible to the following questions:
- Is the resource valuable? Does it have the ability to offer the company the chance to increase its turnover and reduce its costs? "A resource is valuable if it allows tourism companies a favorable position in relation to opportunities and threats.The resource to be valuable requires the generation of an additional profit compared to the situation in which it would not exist at all, from an economic point of view, and from a market point of view it would help to improve the market segment held.
- Is the resource scarce? How difficult is it for competitors to procure? The rarity of the resource refers to the fact that it is owned by a small number of competitors or that it is difficult for them to obtain.
- Is the resource imitable? How difficult is it for competitors to imitate? "It is considered that the advantage created by value and rarity is preserved if it reproduces to generate higher costs than those of the reference company
- Is the resource supported by the organization? Does the organization of the company allow it to exploit resources? "The organization of the resource is an ad hoc label, adopted for the original acronym, which refers to the possibility of the organization (firm) to exploit the resource at its disposal and which is assumed to have the previously listed attributes

MATERIAL AND METHOD

The V.R.I.O. analysis tool, due to the fact that it offers a qualitative analysis framework, is a reference element for resource-based approaches and represents the "foundation" for the development of models close in form and content. Besides V.R.I.O another significant analysis tool is V.R.I.N.E. which is an acronym for: value, rarity, inimitability, non-substitutability and exploitability. The differences between the two models are insignificant. These analysis models are known by their associated acronyms. Each letter of the acronym represents a stage in resource analysis. Regardless of which analysis model it is, be it V.R.I.O. or V.R.I.N. E. , both are integrative analysis models. The approach regarding both analyzes is similar and the final result is defined "in estimating the nature of the resulting competitive advantage, with a positioning on a qualitative scale with 4 levels: disadvantage, competitive parity, temporary competitive advantage, sustainable competitive advantage" [Băcanu Bogdan, Analysis techniques in strategic management, Polirom Publishing House, Bucharest, 2007, p. 156]

The analysis model V.R.I.O. it has a quantitative component of not so great importance associated with the value discussion and a qualitative component that is dominantly associated with some mechanisms that aim to estimate the competitive advantage. The company will try to improve its competitive position, by emphasizing those favorable characteristics of the resources it has.

The value can be calculated as the difference between the subject company's profit and the industry average. In other words, we can say that the profit can be calculated as the difference between the average price and the average cost of the product, multiplied by the number of products sold. This difference can be increased by 2 means:

- Either the cost is reduced - so this is how the strategy of reduced costs is born;
- Either the price increases - it leads to differentiation.

The low cost strategy refers to the fact that it is based on the market model close to that of perfect competition because the products of the different competitors have similar characteristics, the price is determined by aggregate demand and supply, and the number of competitors is large. The most significant profit, in this case when the price is fixed and the product is not differentiated, will be won by the producer with the lowest cost. Thus this is an advantage over the competition or the manufacturer can request a lower price than the other competitors in order to win a market segment. What generates cost advantages, i.e. the sources, are the following:

- "economy of scale;
- savings due to the effect of experience and the learning curve;
- economies of position;
- savings due to favorable access to input resources;
- technological advantages independent of production volume;
- portfolio options." [Băcanu Bogdan, Analysis techniques in strategic management, Polirom Publishing House, Bucharest, 2007, p.157]

The more a company benefits from at least one or more of the resources mentioned above, compared to the competition, the more value it will generate. The rarity of resources translates first of all into a primordial importance in terms of technology or obtaining exclusive access to a base of raw materials. Regarding equipment, the advantage that a company has over the competition is volatile because there are too few cases in which companies that have the necessary financial resources do not have the opportunity to access the technology.

The rarity of a resource can be highlighted quite easily within an industry, through a comparison within the framework. If the resource is as clearly defined as possible and it is proven that it has a great influence on the value creation process, the faster the rarity assessment can be made.

Imitability can be "measured" by the weight of copying or imitating processes. These processes can focus on the method by which cost advantages are generated." In general, processes that do not involve an exclusive position, literally and figuratively, can be imitated, as well as those that have as a source of reduced costs a complex of technical factors, predominant compared to the human type." [Ibidem, p. 157]

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RESULTS AND DISCUSSIONS

"The methods of developing and implicitly formalizing the strategy have changed over time. The first models that showed what a strategy should be and how it should be developed were the strategic planning models, predominantly normative, the best known being the Harvard Business School model from 1965, later perfected by L. Andrews. It presents the stages of analysis and the elements that contribute to the development of a strategy." [Botezat Elena, Strategic management, Individual study support, Oradea University Publishing House, Oradea, 2010, module 7, p. 2]

In this model, the first stage and the second are realized in the SWOT analysis, that is, the analysis of the internal environment with the determination of the strong and weak points, and then the analysis of the external environment, which involves the determination of the opportunities and threats from outside the company.

The analysis of the internal environment leads to the success factors, while the external analysis takes shape in the competencies that differentiate the company from the competition. These two things together lead to the totality of action options. These options, helped by the social responsibilities that the company has as well as the personal assets of the managers, lead to obtaining the strategies to be applied within the company.

It can be seen that an accumulation of elements both from within the company and from outside as well as personal elements is necessary to reach the creation of a sustainable strategy.

The strategic model developed by J. Pierce and R. Robinson structures the strategic process in eight phases, having a smaller number of stages:

"1. the formulation of the organization's mission, including general statements regarding its goals and philosophy;

2) establishing the profile of the organization in such a way as to reflect its capacities and conditions;

3) evaluation of the company's exogenous environment, including competition and general contextual factors;

4) analysis of the company's options, harmonizing its resources with the external environment;

5) identifying the most favorable strategic options by evaluating each option through the lens of the company's mission;

6) selection of a set of long-term objectives and the main ways to achieve the strategic options;

7) the implementation of strategic elements based on the resources dimensioned by the budget, by correlation with the tasks, personnel, structure, technologies and motivation system of the company, which implies a restructuring and a redesign of the organization;

8. evaluation of strategy results, strategic control, considered as an input for future decisions." [Botezat Elena, Strategic management, Individual study support, Oradea University Publishing House, Oradea, 2010, module 7, p. 3]

The most important components of an organizational strategy are: "mission, fundamental objectives, strategic options, resources, deadlines and competitive advantage." [Popa Iona, Strategic Management, Economic Publishing House, Bucharest, 2004, p. 25]

1. "The company's mission consists in the comprehensive statement of the fundamental goals and the conception (philosophy) regarding the evolution and development of the company's activities, which differentiates it from similar enterprises and from which the sphere or field of activity and the market served derive." [Ibidem, p .25]
2. The fundamental objectives are those objectives, in the long term, for periods of 3-5 years "and which refer to the whole of the company's activities or to its major components" [Ibidem, p. 26]
3. Strategic options refer to the direction of actions that a company should undertake to achieve the specific objectives of that strategy.
4. The resources are absolutely necessary for the achievement of the company's objectives and help materialize the strategic options. These are of 4 types: material, human, financial and informational.
5. The deadlines must be included in the strategy, which specifies the trigger, intermediate and final deadlines, both for

the entire strategic period and for its various stages in order to achieve the objectives.Avantajul competitiv este de fapt the very purpose of the strategy. It refers to the ability of a company to produce products and services of a superior quality existing on the market, which are also made by other competing companies.

CONCLUSIONS

Strong points of the Hotel Complex:

- It has the most extensive, complex and well-equipped treatment base in the entire resort;
- It has the ability to attract several categories of tourists due to the diversity of the types of units owned by the Complex, which gives it a competitive advantage;
- Good reputation in restoration, recovery, relaxation and anti-aging treatments;
- The existence of a positive organizational culture;
- Attracting qualified medical personnel and specialists in the field of spa medicine and everything that involves recovery;
- The existence of a hospitality staff, influenced by the organizational characteristics;
- The existence of competitive advantages such as increasing labor productivity, decreasing costs;
- Promotion policy of Hotel Perla 1 Mai on all existing promotion channels;
- Building a loyal clients;

The opportunities of the Hotel Complex:

- A new approach - the tendency to attract a new segment of customers both domestically and internationally;
- A slight upward trend in the average length of stay;
- Attracting a segment of customers with an older age;
- The opportunity to attract structural European funds intended for the development of services;
- Lack of strong competition in the Băile 1 Mai resort, because the locals who have turned their homes into guesthouses are thinking about how to get as much income as possible in the shortest time but without having in mind the concept of quality and diversification of services;
- A favorable positioning of the Complex near the urban center and the border with western countries;

Threats around the Hotel Complex:

- Many Romanian tourists are oriented towards other resorts in order to practice spa tourism - such as those in Hungary, Bulgaria, etc.;
- Due to the existence of other spa resorts in Romania's neighboring countries, which have more accelerated development in terms of service offer, Romanian resorts are not as competitive in this tourism sector;
- Decreasing the number of classical spa resorts because modernism makes its presence felt on all levels, including in the field of spa tourism, where classical methods of treating various ailments prove to be the most effective;
- A bad image, across the border, of our country as well as the existence of prejudices aimed at the country's population;

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