INTERNATIONALIZATION OF TOURISM SERVICES AND PRODUCTS IN THE CONTEXT OF GLOBALIZATION

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Abstract
Nowadays, the internationalization of services is much more accessible thanks to the formation of so-called free economic markets in almost all the world's continents, thus facilitating the flow of capital between companies from the same field, adjacent or even different fields. Information technology is another factor that facilitates the internationalization of services, but especially the rapidity with which it develops, makes possible to connect in a very short time or in real time with partners from all parts of the world.
In this article, the author makes an analysis of the mechanism of internationalization of tourism services, describes the forms of manifestation of companies in the international environment and characterizes the benefits and risks that can arise in the process of internationalization of tourism enterprises.

Key words: *internationalization of services, globalization, investments, tourism enterprise, information technology, tourism market, tourist.*

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1. Introduction

The world tourism market has entered a new phase of its evolution, through the maturing of the tourist as a consumer, but also of the specific industry, appreciated as the most voluminous branch in the world. The new tourist is more experienced, more sophisticated and more demanding.

The beginning of the 21st century has changed Europe's tourism sector in a spectacular way, while the process of globalization and overcrowding has led to an important and sudden widening of the market.

Increasing price competition and networks with better organized and cheaper destinations on other continents stress the pressure on the European tourism sector and traditional destinations. Competition between tourism destinations intensifies. More destinations compete on the level of experience and competition is reinforced by greater market transparency in terms of prices or other comparable features of destinations. And this is due to the Internet. It has contributed significantly to the change in the behaviour of the tourist, on the one hand by the very large amount of information, easily accessible and, on the other, by increasing the degree of independence of the tourist, who can choose his own destination today, buy online travel services, make reservations and payments.

Competition will also be strengthened in the future by the existence of powerful bidders active in the world and by the influence of information and booking systems. Airline companies, hotel chains and large tour operators operating on a global scale already have subsidiaries in many European countries, and through international distribution systems control a major part of international tourism.

Actuality of the investigated theme

In the context of the increasingly globalized world in which we live, in the context of the continuous rise of consumer prices under the sign of the increasingly development of information, documentation and communication media used for tourism purposes and the increase of public access to them, there has been a need for the internationalization of tourism services, focused on the issue of how to develop and promote internationally a tourism company.

The intention to internationalize services through expansion is formed when the profit of a tourism enterprise has grown significantly and wishes to expand in order to increase its revenues. This is done either by opening new branches in other countries or by purchasing one or several smaller tourism enterprises.

Of course, such a matter is not so easy to be achieved. Entering a foreign market which you are not familiar with, you have to face not only competition but also mistrust from consumers who are suspicions about the quality of services to be provided.

Modern management strategies, technology transfers, IT applications, reasonable pricing of services and know-how can provide the necessary conditions for adapting the company to a foreign market.

Today's tourist is becoming more and more informed and demanding. He is going to get as much on his travel expenses and does not intend in any way to become a revenue-generating tool for the internationally developing tourism enterprise. Therefore, when choosing a tourism enterprise, tourist will consider the entire offer he can get and choose the company that will be favourable to him in terms of diversified offer, the price-value report and his moral and psychological satisfaction.

The ways and phases of internationalization of the enterprise in the context of the ones mentioned are of interest for research, and the investigated topic is quite actual.

2. Internationalization as a process

The interconnection of national economies and businesses leads to a multi-form internationalization of business. The consequence is that a growing number of firms have an international dimension of their business or their activity.

The tendency for internationalization has emerged for decades, but has become evident and generalized since the 1960s.

The international economy relies primarily on the existence of interdependent nations that trade with each other. One of the conditions is that within these nations there are no barriers to trade.

Internationalization, as a world-class process over time, has objective prerequisites given by the overall evolution of the business environment under the influence of a complex of technological, economic, political and cultural factors. At the same time, for a particular enterprise, involvement in international affairs is the result of management decisions that are based on a series of economic motivations.

The management subject of study is represented by the so-called multinational companies, named for companies operating in more than one country. Although this name is used in a generalized context, many authors differentiate several types of internationalization of a firm. The degree of complexity of differentiation systems is different depending on the analysis framework proposed by them.

Jay B. Barney, American professor of strategic management, known for his contribution to resource-based theory of competitive advantage, in collaboration with R.W. Griffin, a university professor at the University of Texas in their joint work "The Management of Organizations: Strategy, Structure, Behaviour", characterize ***four forms*** of manifestation of firms in the international environment [1]:

1. It is the national company that collects its resources and revenues in a single country, being little affected by international competition and usually having a modest dimension;
2. The international firm is based on activities in a country, usually the origin country, but has business operations in several other countries as well;

3. A multinational company is based on business operations in its home country but has many businesses in other countries, businesses with an advanced degree of independence from the parent company as if they were from the host country;
4. The global firm crosses the borders of the original country and operates globally in a manner in which most features have a minority national influence.

As the previous characteristics are defined, they would represent stages of a simple to complex evolution, without emerging from a classification if a company is going through all forms and in the mentioned order.

If we look at firms with a certain degree of internationalization, they would fit into the following feature:

• ***National company*** gives little importance to the external market and the production capacities are located in the domestic environment to which its main trade flows are directed. Cultural diversity does not affect either the organization culture or its relations with business partners.

• ***International company*** attaches a great importance to the foreign market by resorting to financial, material, informational implants abroad and developing business with partners from several countries. Cultural diversity has a strong impact on business strategy and its relationships with potential clients and foreign employees.

• ***Multinational company*** considers the global market as essential for its economic development. By practicing a multinational strategy, the company has locations across a wide geographic area, offers non-standard products and addresses an expanded global marketplace. In the management of cultural diversity less emphasis is placed on multicultural aspects outside the company and more emphasis on the mastery of cultural diversity within it. This is because the multinational company employs managerial and executive staff from around the world. As such, the multicultural approach is done from the outside to the company.

• ***Global company*** considers the global business dimension as having a dominant role in all strategic and tactical operations. It addresses the world market as its own market, its location being integrated into a specific network. The company practices intercultural management, both by designing corporate values towards the external environment and by internationalizing and taking over the cultural diversity from the outside environment. In order to be successful, the employees of a global company need to develop multicultural skills that enable them to work efficiently with the company's staff, as well as with foreign suppliers, buyers and customers.

A more sophisticated classification is made by Professors Christopher A. Bartlett and Sumantra Ghoshal in their work "Managing across borders: the transnational solution", with the introduction of a greater number of differentiation criteria, showing how assets, operations and knowledge are distributed between the country of origin of the company and the other countries in which it is present [2].

In our opinion, it is noted that the most advanced stage of the internationalization of tourism products and services can be considered the one labelled "transnational". In the table below we bring the following arguments:

Table no.1. **The characteristic of enterprises in the international environment**

N/o	**Organisational features**	**Multinational**	**World**	**International**	**Transnational**
1.	Particularities of assets and production capacities	Decentralized and autonomous at the national level	Centralized on a global scale	Centralization of fundamental sources and competences, decentralization of experience	Dispersed, interdependent and specialized

2.	Activities of economic operations abroad	Research and exploration of local opportunities	Execution of parent company strategies	Adaptation and exploitation of parent company competencies	Differentiation of national units' contributions to integrated world operations
3.	Improvement and development	Development and implementation of the knowledge gained in each unit	Developing and retaining knowledge at the parent company	Developing knowledge at the centre and transferring it to foreign units	Knowledge development, their distribution at the international level

Source: Adapted by the author after Christopher A. Bartlett and Sumantra Ghoshal

Several large markets that attract the attention of transnational enterprises have been formed around the world. They target at least one of these markets, and if they are in for a broad global segment, the presence in the so-called triad which was described by Kenichi OHMAE in his work "Triad Power: the Coming shape of global competition": Western Europe, Japan and North America is mandatory [3]. These areas form in fact a relatively homogeneous market where 90% of the high-tech goods are consumed. Homogeneity is given by high educational attainment and disposable income. For a transnational enterprise, the perception of the area is based on these elements of homogeneity and success in a segment can mean success throughout the triad.

In recent years, emerging markets with special characteristics such as China and Russia were added to the triad. Here, companies that focus on differentiation or form a niche for luxury products and services find an attractive customer segment that justifies internationalization.

As a result of studies carried out by P. Ghemawat in his work "Distance still matters", it was concluded that "attractiveness of the country of reception is not the only important one, but also the compatibility of each country with the enterprise that is internationalizing" [4, p.137]. For such companies, some countries are more "far away" or more "incompatible" than others. More specifically, enterprises of different nationalities do not achieve the same results in the best-ranked countries. As an example, Romania as a member of the European Union, due to implementation and compliance with EU directives on security and investment protection, is more interesting for internationalization from the point of view of transnational companies than a non-EU country where investment could be jeopardized due to corruption, non-compliance with contracts and intellectual protection.

Once the internationalization strategy has been chosen, the enterprise has to decide in which country to invest, knowing that not all countries have the same attractiveness. [5, p. 767].

Foreign investments represent financial and resource flows that cross the legal and economic boundaries of states. The criterion that differentiates the foreign and domestic investments is that the investor and receiver are resident in different countries. They appear under certain flows of financial, scientific, technological, informational resources, equipment, buildings, managerial experience, etc., which are placed by investors in different countries, i.e. investment receivers. Such resources are formed on the basis of economies of the economic subjects, resulting as a difference between the revenues obtained and the consumption expenditures. So, the savings represent the source of investments that are accumulated for the expansion of economic activities in order to obtain the profit. The relationship between income and consumption was determined by John Maynard Keynes in his work "The General Theory of Employment, Interest and Money", according to which, as income increases or decreases, people are prone to increase or decrease consumption. The link between revenue growth and consumption expenditure is determined by the marginal inclination towards consumption, and the link between the evolution of savings and income is expressed by the marginal inclination towards savings [6, p. 234].

For an enterprise that is developing in a country different from its home country, the key issue is to know to what extent this institutional change will influence the results of its economic activity in terms of profitability. From an operational point of view, the problem is to understand why the transnational enterprise that is developing abroad intends to penetrate another market?

1) Stability and potential for economic growth in the market that is going to enter.
2) Cheap labour force.
3) Ensures a preferential tax regime.
4) Stability of the national currency.
5) Favours opportunities for capital migration.

Thus, in order to avoid certain problems in the country where the enterprise wishes to expand, it must estimate possible economic and social benefits, while also anticipating the possible risks.

The International Monetary Fund defines direct investment as an investment that an entity resident in an economy (direct investor) carries out in order to obtain a lasting interest in a resident enterprise of another economy (direct investment enterprise) through sustainable interest understanding that there is a long-term relationship between the direct investor and the enterprise and that the investor exerts a significant influence on the management of the enterprise [7, p. 92].

It is important to underline, as is clear from the definition, that a transnational tourism enterprise is not limited to one financial operation but is aimed at managing the business for a long time.

According to the comments made by J.H. Dunning in his work "Multinational Entreprises and the Global Economy", the investment consists in a package of assets and intermediary products such as capital, managerial skills, market access and entrepreneurship. Under these circumstances, the investment takes place outside the country of origin, but within the enterprise that invests, the control over the transferred resources remains in the hands of the investor [8, p. 5].

This definition refers to two important components when talking about a transnational enterprise: challenges of managing a complex multifunctional system and analytical challenges of understanding the transnational enterprise as a form of organization.

The essential feature of this form of organization is that internationalization of activities is a process that takes place in time and space. The underlying assumption, according to which the activities and appearance of an enterprise are essentially changed together with the internationalization, have generated models of transnational enterprise that has a specifically evolutionary character, organizational changes regarding structure and design of the organization, distribution of power and the nature of internal conflicts and the normative and cognitive bases within it [9, p. 350].

Both the theories on which the studies on the organization of transnational enterprises have based, as well as the phenomenon of these enterprises have changed substantially over the last four decades. In the view of several economists, there are signs that these changes will be more radical in the future.

As internationalization is a start-up process, change over time is the basic feature of transnational enterprises models. A tourism enterprise can start its typical activity as a local enterprise and becomes more or less international over time as the number of countries in which it carries out its activities increases.

The changes that are taking place are managed in the context of the tourism market, which makes the company to move in a common direction to all companies that share the same trajectory. An example may serve the increased demand for tourism destinations that offer ecological and adventure tourism programs.

Internationalization provides the basis for the selection of forces that characterize evolutionary models of transnational enterprises. Internal pressures arise with the increase in the supply of tourism products, complexity and internal diversity, together with the fall in demand.

The modalities of internationalization of the enterprises' accession on the foreign markets are selected in accordance with the stage of the development phases. Under these circumstances, internationalization causes enterprises to operate in new, generally less well-known geographic areas, which forces managers to acquire new knowledge, new experiences, new management methods [10, p. 479].

Internationalization as a step-by-step process implies that the tourism enterprise increases its participation in new markets, accumulates knowledge and strengthens its skills. The so-called progressive internationalization takes place when tourism businesses initially use ways to broaden the spectrum of services that allow them to maximize their workload and minimize the exposure of their assets to competitions of unknown circumstances.

Progressive internationalization also allows enterprises to increase their competitiveness on the tourism markets where their development takes place, thus limiting their financial dependence on the parent company.

Of course, in this phased development process there have been situations when some small tourism enterprises have internationalized at a very early stage of development, using simultaneously several ways of implantation in different countries. It is the case of the so-called "globally-born" enterprises [11, p.15].

Conclusions

Services have long been seen as non-tradable values, which reality has constantly infringed, and modern economists have fought this version using the most convincing, taken or inspired arguments from the real economy.

International service transactions are today a major component of the international influx of values and concern for policymakers as well as for participants in multinational negotiations on the liberalization of international trade.

The tendency to liberalize global trade in services has expanded into the sphere of tourism, while demand for services has become more and more voluminous, demanding, and more receptive to the efforts of tourism companies to capitalize on their offer and their production capacities.

All of these have greatly contributed to the widening of the range of tradable services and to the internationalization of the tourism industry in an alert rhythm. The pace of growth in international commodity trade was outpaced by that of international trade in services. The latter's evolution was mainly driven by advances in information technology and reducing barriers to the movement of people and capital.

Foreign direct investment is the main way of establishing a commercial presence for providing services on an external market by creating a new business in the host country or by gaining control over an existing business.

Under these circumstances, government strategies on export stimulation and investment attraction need to be focused on transnational tourism enterprises, which carry out business on an international scale and have an impeccable portfolio of activities in terms of ethics and professionalism, regardless of the size of the made investment and contributions to the National Public Budget.

Proposals and recommendations

The issue of internationalization of tourism products is associated with multiple operational risks, specific to other types and other related industries, thus influencing the vulnerability of the tourist in terms of establishing tourism destinations where tourism consumption will take place.

In order to internationalize tourism business, in our opinion, it is necessary to consider the following proposals and recommendations:

- internationalization must take place after the profound research of the market where enlargement is desired;
- it is necessary to estimate possible risks related to internationalization;
- the enterprise must be able to cope with challenges from the host country's competitive environment;
- the interaction between the tourism company and consumer must be marked by massive promotion actions;
- the pricing policy for the proposed services and tourism products must be more advantageous than the one proposed by the competition environment in the host country;
- cultural distances and differences, as well as different business practices in the country where the business starts, must not be an impediment between the parent and the daughter company;
- it is necessary to maximize the expenses and the time consumed in order to be competitive;
- it is necessary to constantly analyze the national competition environment in order to monitor the fluctuations taking place on the tourism market of the host country.

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