

## TRENDS IN THE DEVELOPMENT OF THE TRAVEL AGENCY S.C. AMBASSADOR TOURS & TRAVELS S.R.L.

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### **Abstract:**

*Tourism is one of the areas that have managed to overcome the economic and financial crisis, recording negative values only in 2009 worldwide. Its development determines the creation of premises for increasing the number of new jobs and of the income obtained. S.C. Ambassador Tours & Travels S.R.L. is part of the global trend and it managed to achieve good results by adopting measures consistent with the economic and social reality of our country. The travel packages for seniors are a new proof of adopting the global trend, which shows that the Romanian travel agencies are receptive to what is happening globally.*

**Keywords:** *tourism, crisis, tourist packages for seniors*

**J.E.L. Code:** *E00, E20*

### **1. Introduction**

Tourism, through its economic effects, is one of the most dynamic and promising areas. The economic effects generated by tourism are not to be neglected; some of these represent the income recorded, the new jobs created, and the attraction of foreign investment. (Paicu and Hristache, 2013)

The increase of the tourism sector in the past 10 years worldwide highlights its importance. Tourism development causes increasingly higher economic and social benefits because its development is done consistently and coherently. (Jaliu, 2012)

In the first nine months of 2013 international tourism increased by 5% compared to the same period of 2012. The figures recorded for the period January - September 2013 show a number of tourists of 845 million, 41 million more than in the same period of 2012.

The upward trend of tourism worldwide has been changed by the economic-financial crisis, causing a decrease from 6.4 % to 2% in the first stage, and in 2009 it recorded +3.9%. The sharp decline in 2008 and 2009, however, was quickly overcome by the result obtained in 2010, when it reached 6.6% compared to the previous year. The increase in the tourism sector in the recent years has not managed to avoid the effects of the economic-financial crisis, but the return was done quickly, so that in 2010 there was an increase in the flow of tourists compared to 2009. The WTO Annual Report called 2010 “a year of recovery.” (Hociung and Frâncu, 2012)

The recovery recorded was maintained, but not at the same level, as for the next two years the values are decreasing (5% and 4.1% respectively). The year 2013 will bring an increase; this claim is supported by the result obtained in the first nine months and by the forecasts for the next months of the year.

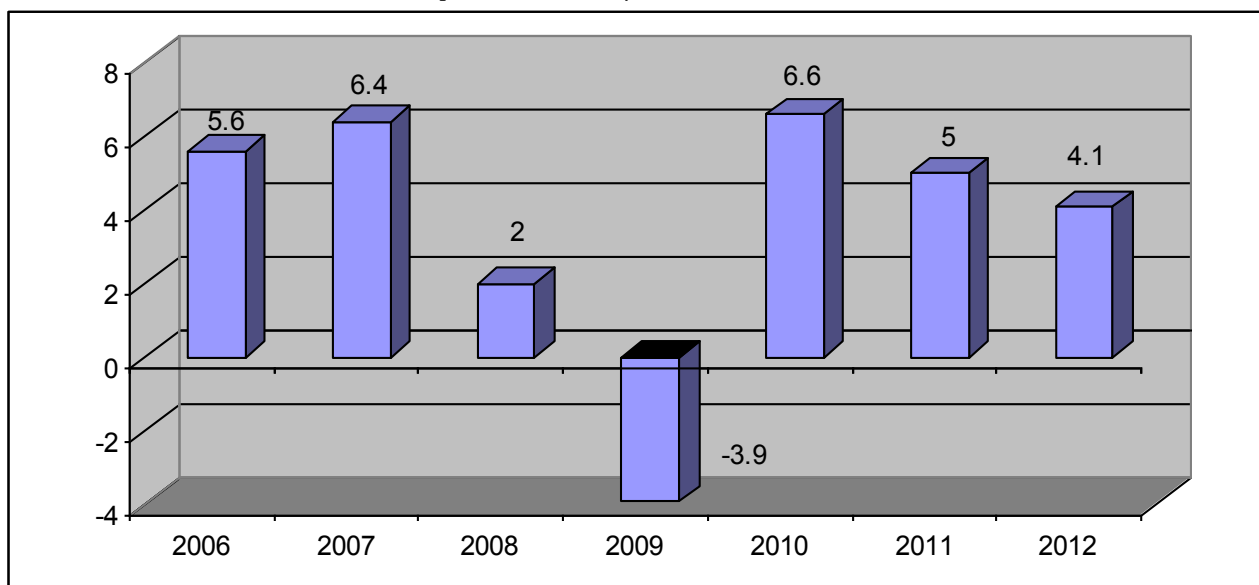
The first 9 months of 2013 have recorded positive results for the regions of the world, showing that this area is being re-launched, and the decreases caused by the economic-financial crisis were exceeded:

- Europe (6%)
- Asia and Pacific (6%)
- America (3%)
- Africa (5%).
- Europe (6% )
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- Africa (5 %).

The contribution to the growth compared to the first nine months of 2012 has been brought by two regions (Europe, Asia and the Pacific) which have achieved a 6% increase, but we must not neglect Africa, a region which has grown by 5%.

Graph 1. Evolution of tourism worldwide



Source: <http://mkt.unwto.org/en/barometer> UNWTO World Tourism Barometer

In the regions of Europe, the most significant increases were achieved in: Central & Eastern Europe (+7%) and Southern & Mediterranean Europe (+6 %).

## 2. S.C. Ambassador Tours & Travels S.R.L.

S.C. Ambassador Tours & Travels S.R.L. operates in the tourism industry in Argeş County, a relatively new company, founded in September 2007. The Travel Agency had to become known in the tourism industry, thus the decisions were designed in such a way to provide quality services and to attract customers. Besides struggling to attract clients, the travel agency was faced with the crisis occurred in the Romanian economy, which led to a greater focus on the services offered, especially the very services which would bring the desired customers.

The management of S.C. Ambassador Tours & Travels S.R.L created the following measures:

- creating a permanently updated website;
- creating a database;
- making tour packages for firms;
- making tour packages for people with high income;
- making tour packages for seniors.

The first two measures are the solutions we believe that any travel agency would adopt since a website gives visibility and the ownership of a database allows it to promote its travel packages and to create offers for the existing customers. The access to the offers of the travel agency via the Internet is a benefit both to society and to potential customers, especially in the current period when the new economy requires carrying out economic activities at high speed (Savu et al, 2012).

In tourism, the public relations activity is essential as it largely shapes the market of the travel agency, the behaviour of tourism products and services consumers. (Moarcă et al, 2007) Clearly, next to the public relations, advertising and information are crucial in the development of the activities conducted by the travel agency.

Making travel packages for companies was a measure adopted when the economic-financial crisis was felt by the Romanian economy as well. At this point it was noticed that natural persons did not spend as much money on travel services as compared to the previous period, however companies are looking for these services either for the employees' travelling on official duties or to reward the work done by them. These packages have been developed over time, reaching the performance of achieving 64% of the monthly turnover in 2013 from selling

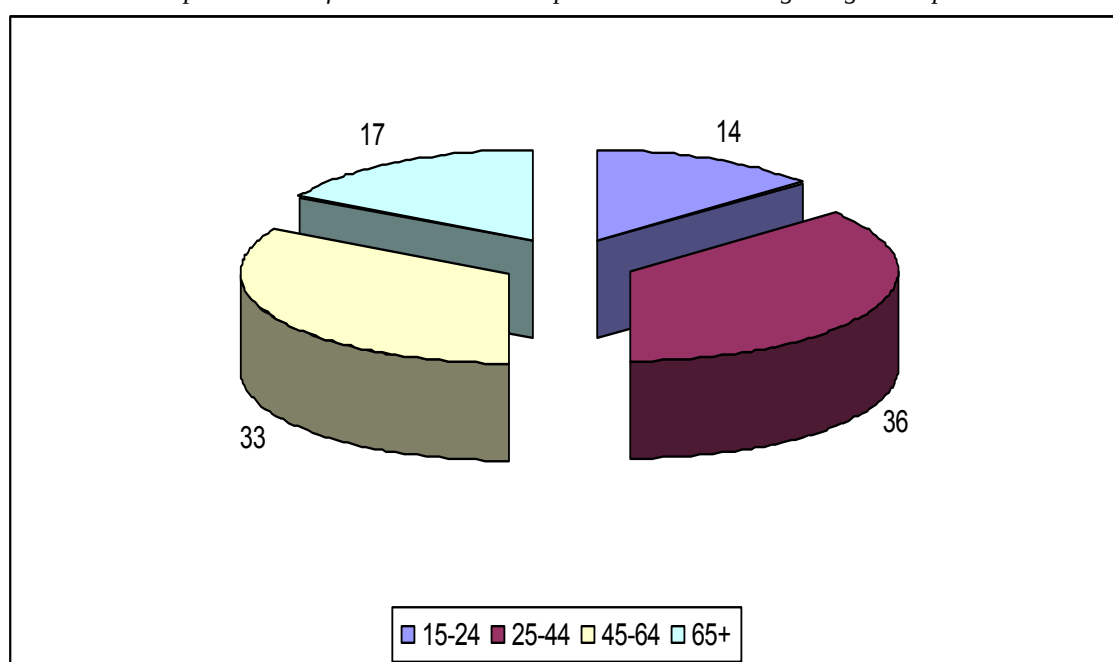
them. S.C. Ambassador Tours & Travels S.R.L. considers the company has managed to become known on the market with these packages because the agency was willing to provide the desired services at any time.

Offering tour packages to people with high income is a measure also adopted when the effects of the crisis were felt because, obviously, this group of people can afford to purchase holiday packages.

The travel agency analysed the changes through which the global tourism industry was going and the future trends, so that it created tour packages for seniors. On the website there is a section that contains these easy to access and view programmes. The management of the agency opted for this type of packages because in Romania the population aged 60 and over represents 4.4 million people. In the European Union there has been a 10% increase in the number of tourists aged 65 and over in 2011 compared to 2006. All other age groups have recorded decreases, especially the group aged 24-44, which decreased by 10% for the same period (Savu et al, 2012).

The figures recorded in 2011 (graph no.2) show the share of tourists by age. Despite the fact that there are two age groups (25-44 and 45-64) with a share nearly doubled compared to the one of the age group 65 and over, we must notice the increase in the number of tourists aged 65 and over along with the decrease of the other age groups. The forecasts concerning the number of the population in the European Union show that about 30% of the population will be within the age group 65 and over in 2060.

Graph 2. Share of Tourists in the European Union according to Age Groups in 2011



Source: Eurostat. Statistics in focus 43/2012

The population aging trend in Europe is well-known and it supports the growth outlined above, but it particularly motivates the travel agencies to offer tour packages suitable for this age group.

In our country we find the same changes in the population structure according to age just as in Europe. In Romania, in 2011, there were registered 3,195 thousand people aged 65 and over.

$$g_{\leq 65} = \frac{3195011}{21354396} \times 100 = 14,9\% \quad (1)$$

The share of the population aged 65 and over is 14.9%, and the trend is growing. The value recorded, being higher than 12%, indicates the aging of the population in Romania. In this situation, the decision to create and develop tour packages for seniors is supported by reality.

### 3. Conclusions

The progress recorded by the travel agency Ambassador Tours & Travels is the result of the decisions taken and implemented over the years. The development of technology has created significant changes in the approach of the risk and uncertainty concepts (Albici et al, 2012), a fact which was understood by the management of the travel agency. Its separation from the travel agencies in Pitești mainly relied on the novelty of the products offered, but the fact that the agency is a tour operator for India, Southeast Asia and America was also an

advantage.

The agency has been looking for worldwide trends in tourism in order to offer new tour packages and to attract potential customers. The desire of seniors to increase their life quality and the increase of the lifespan are just two of the factors that determine the purchase of travel packages for people aged 65 and over.

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