

ст. ас. ГЕРГАНА АНГЕЛОВА

ЮЗУ "НЕОФИТ РИЛСКИ", БЛАГОЕВГРАД

**ВЛИЯНИЕТО НА ИКОНОМИЧЕСКАТА КРИЗА ВЪРХУ КОМУНИКАЦИОННАТА
СТРАТЕГИЯ НА ХОТЕЛИЕРСКИЯ БИЗНЕС**

**THE INFLUENCE OF THE ECONOMIC CRISIS UPON THE HOTEL BUSINESS
COMMUNICATION STRATEGY**

Senior Assist. Prof. GERGANA ANGELOVA

SOUTH-WEST UNIVERSITY OF NEOFIT RILSKI, BLAGOEVGRAD

Abstract: The level of hotel service in Bulgaria is not quite satisfactory. The service sector needs to enhance the quality of business communication. Offering a high-quality tourist product is the first and most important precondition for any business development and success. One of the exact indicators for the product quality is effective business communication. Hence a high level of customer service. No matter how modern the hotel facilities are, customers become disappointed with their hotel stay if they are not treated properly or given the demanded information.

Hotel communication development involves the creation of a uniform communication strategy which is to determine the framework of work discipline, ethics and professional competence. Hotel business communication strategy is even of greater importance under the conditions of global economic crisis.

Key words: economic crisis, state measures, hotel industry, business communication strategy, guest service efficiency

1. INTRODUCTION

The number of both domestic and international tourists in Bulgaria is expected to decrease because of the world economic crisis. Consequently, the hotel owners need to adapt their business strategy to the changing economic environment. They have to look for ways to entice tourists and guests to their properties and once the guests have arrived, they should be able to make their stay as pleasant as possible and offer their clients a good amount of value. There is every likelihood that hotels will attract holidaymakers when they have reached a good balance between quality and rates. It is very important to make your two cents worth, especially in a shakeout situation.

2. BULGARIAN TOURISM MARKET IN THE ECONOMIC CRISIS AND MEASURES TO BE TAKEN

Under the conditions of global economic recession the number of international tourists decreases. People choose to stay at home rather than go abroad. The global economic crisis did not spare Bulgarian tourism either. For the first time in years there is a marked decrease in the number of foreign visitors. But yet, there may be some international tourists who will choose to come to Bulgaria and not to any other country because according to a survey of the State Tourism Agency [3], a large number of respondents – international tourists say that they come to Bulgaria on holiday because the country is a safe destination. And when one goes on holiday, one of the first things they look for is safety.

Bulgaria, a country with rich historical and cultural heritage and attractive natural landscapes, used to be one of the most visited tourist destinations in Europe. Tourism, as an industry, used to be an important source of economic growth. In 2007 Bulgaria was visited by 5.2 million tourists, measured as outlined by the World

Tourism Organization. Tourists from the top 3 countries - Greece, Romania and Germany, account for 40% of all visitors. In 2008 Bulgaria was estimated to welcome 6 million visitors. After all – the country has historical cities and towns, summer beaches, and mountain ski resorts. New types of tourism, including cultural, architectural and historical tours, eco-tourism, and adventure tours, expanded the range of services available to visitors.

In the current situation of crisis, domestic tourism should compensate for the decrement of inbound tourism, i.e. instead of going abroad Bulgarians should stay in the country and holiday in the country's confines. Bulgarian tourists should be encouraged to spend their holidays in Bulgaria, being tempted by promotional packages and bonuses. Discounts of 10 to 30 per cent for Bulgarian holidaymakers and preferential offers for public employees are some of the measures to help boost the local tourist sector. Also - special attention is to be paid to the promotion of Bulgarian tourism.

However, the global crisis has already begun dictating new rules on the world tourism market. This became evident at the international tourism exchanges, in which Bulgaria is a traditional participant. European tour operators are cautious when negotiating contracts with their partners. One of the reasons for this is that at present the market is unpredictable and the companies try to avoid long-term commitments. These trends were noticed in Bulgaria as well, where there was a marked decline in the number of visitors at the end of 2008. The beginning of 2009 saw the diminishing number of foreign visitors in our resorts by some 15 – 18%. At the same time there is also a decline in the number of Bulgarians, who have travelled abroad in the first months of this year, which, to some extent, compensates for the lack of foreign visitors.

3. BUILDING AN ADEQUATE HOTEL BUSINESS COMMUNICATION STRATEGY

Hotel entrepreneurs could use their business communication strategy to keep in step with the economic changes and survive during the period of economic shakeout. Building a communication strategy entails converting the implicit business strategy into an explicit one and requiring commitment from all the employees [1]. The hotel business strategy should conform to the state anti-recession measures in tourism. Tourism associations have set common government aid demands that should help the sector survive the global economic downturn. Each unit of the hotel business strategy has to be influenced by these demands. One very important part of the business strategy to focus on is the client segments and the liaisons with them. Figure 1 presents the various units that a business strategy consists of.

Hotel business strategy is nothing but the way the hotel earns money and generates revenue. The business strategy involves eight units and its structure presented in the above figure can be divided into two halves – top and bottom.

The top part lay emphasis primarily on the internal structure, resources and activities:

➤ *Hotel major activities*

Under the conditions of economic downturn, hoteliers should offer budget accommodation, hearty catering and a wide range of services in rejuvenating recreation setting.

➤ *Hotel major resources*

Hotels should try to use the available resources to promote the service in their best way. Some investments should be made to renovate the facilities if necessary, so that clients receive a good amount of value for the money spent. What tourists look for is pristine beaches and preserved mountain resorts.

➤ *Cost structure*

Like all departments in Bulgaria, tourism has to reduce its expenditure. However, tourism organizations state that the

government should allocate about BGN 100 million for the tourism industry to provide operating cash for hoteliers and tour operators. The demands should come with a special control mechanism to ensure that state subsidies would lower the cost of tourist services.

➤ *Partner network*

Since the target client segments should be domestic tourists on one hand and international tourists primarily from Romania, Russia, the CIS and the Balkan countries on the other, the lead partners should be tour operators and agents from these particular countries. Co-operation and assistance should be offered to airline companies which organize cost-effective charter flights to Bulgaria.

The bottom part is chiefly focused on relationships with clients and distributors:

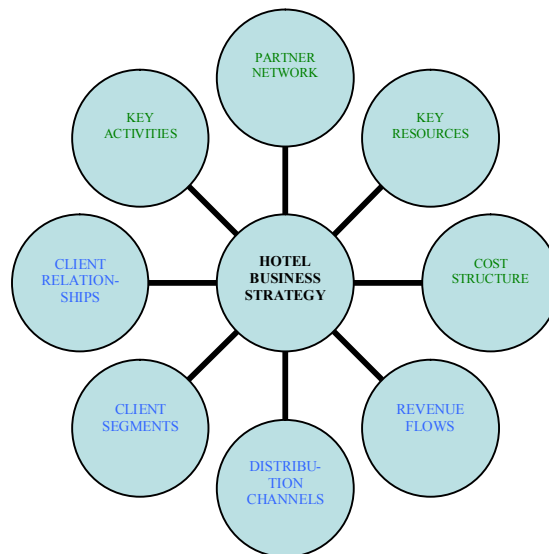
➤ *Client segments*

In the period of economic recession, the target client segments should include Bulgarian (domestic) tourists and foreign tourists mainly from Russia, the CIS, Romania and the Balkan countries. Bulgarian holiday packages are half-priced and of better service quality compared to those offered in Romania.

➤ *Client relationships*

Hotels should keep close contacts with their target and repeat clients. They can use the clients' history to send promotion packages through different distribution channels.

Fig. 1 Units of hotel business strategy (adapted from the business model of Alexander Osterwalder [2])



➤ *Distribution channels*

Hotels use different channels to distribute their services. They can offer on-line reservations, use their Internet site to promote reasonable prices, employ mail shots to reach a large number of potential domestic tourists, etc. In the meantime,

travel agents may be willing to lower their commissions charged for each reservation. The national tourism advertising campaign targets Russia, the CIS and the Balkan countries as well as the domestic market.

➤ *Revenue flows*

Guest can provide hotel properties with greater revenue flows if they are offered inexpensive accommodation including a low per cent of VAT and high standards of guest care. According to surveys, Bulgarian tourism sector has begun to lose its price advantage, which used to be one of the key factors in luring holidaymakers. Bulgaria shouldn't lose its competitive edge, i.e. its reputation for a low-cost destination. Now, it's time that it reduced the prices and welcomed a good number of visitors at the time of recession.

4. INFERENCES

The analysis of the current tourism and hotel business condition in Bulgaria has provided grounds for drawing the following inferences:

1. Using their business communication strategy and the focus it should have on the target client segments, hotel owners can outline a new tendency towards attracting more domestic tourists and providing customer satisfaction. On the other hand, we ourselves should help the local tourism overcome the crisis choosing to stay in Bulgaria and visit our holiday resorts.

2. The key to cope with the present economic recession lies in the reasonable price policy coupled with high quality and respectively, customer satisfaction.

3. There is a set of measures to be taken both by the state officials and the hotel business to overcome the crisis. As a result, crisis may happen to become a stimulus for hotels to offer, even higher, service efficiency.

REFERENCES:

1. www.internalcommshandbook.pbwiki.com // The Handbook of Internal Communications: Creating an Internal Communication Strategy, written by Marc Wright & Fiona Robertson
2. www.businessmodeldesign.com // What is a business model?, written by Alexander Osterwalder
3. www.tourism.government.bg