

OPPORTUNITIES FOR ACHIEVING EFFECTIVE MANAGEMENT IN SEASON TOURIST SITES

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Abstract: *This study presents the specificity of season destinations and how to put into practice traditional and flexible opportunities for managing tourist sites in them. A distinction has been made between “hired” management and “timeshare” in tourism, as two of the main forms of flexible management. An online market survey was conducted to offer new flexible forms of management in the tourism business. Their advantages and disadvantages for the tourist sites are analyzed.*

Keywords: management, tourism business, season destinations

1. Introduction

Seasonal tourist sites have their specifics which concern planning, operation and management. Seasonal tourism refers to annual recurrent fluctuations in demand and supply of services and commodities that occur under the influence of the same factors.[2] It creates considerable difficulties in reducing the profitability of tourism enterprises and the use of their basic resources, degrades the quality of tourist services and generates labour turnover. Most often this is sea and mountain tourism, but it can also be related to tourism using other tourist resources. In this regard, the management of sites of this type creates a serious problem for any owner or investor in the tourism business. Each tourist site contains all the resources that are characteristic of material production, but the focus always remains on intangibles, which make up a large percentage of the production that is offered to consumers, namely the tourist service. Its quality is highly dependent on the human factor, which has its crucial importance for the business. This is also one of the issues that entrepreneurs, owners and managers in tourism have to deal with, namely how to

keep the staff all year round, as they are needed only half of the time?

And is there a solution to this question, which guarantees effective management of the site without affecting quality? As a result of the discussed issues, new organizations are emerging on the service market, and they offer new, flexible opportunities for tourism management with a focus on seasonal ones.

2. Flexible forms of management

In management theory and practice there are generally accepted structures of management of the organizations, but tourism requires flexibility in their application and in accordance with the time specificity of the work regime. The focus of our study is on the large seasonal sites, which besides the basic services such as accommodation, meals and transport, offer some additional services. In this case, it does not matter what management style or organizational management structure the manager chooses, but whether it is possible to propose management which can respond to that specificity. Tourism business is one of the most dynamic sectors of the economy, which also implies the use of

flexible management forms to achieve the set organizational goals.

As a result, several management options have emerged in the service market, two of which prove to be suitable for seasonal sites, namely “*hired*” management, known in the legal sphere as a management contract and “*timeshare*” in the hotel industry (operating lease).

The two forms are fundamentally different, but since there is no clear distinction in the scientific literature, *Table 1* has attempted to outline some fundamental differences between the two forms, mainly based on the Bulgarian experience. From the information we can conclude that the appropriate form for flexible management of seasonal tourist

according to which the employees employed under this contract shall carry out a particular job for which they receive remuneration. All this brings its positives and negatives to the human resource, but the legal form is not the subject of our research, but only the information transition to determining the essence of the management service.

When considering this kind of management, it is necessary to define the term “*hired*”, which we consider to be appropriate as a term in the field of tourism. *With the term “hired” management, the authors refer to the form of management that is offered by a business entity to a tourist site for a certain period of time, for which purpose a contract*

Table 1. Some key differences between “hired” management and “timeshare” in tourism

№	„Hired” management	Timeshare
1.	It is used by legal entities with registered tourist sites, most often tourist complexes.	It is mainly used by individuals who have property in apartment complexes but may also have private accommodation
2.	The ownership is of a commercial organization that signs a contract with the management company.	The ownership is of different people and each one enters into an individual contract with the property management company.
3.	Contracts are signed mainly for one tourist season.	Contracts are long-term (mostly for 10 years)
4.	The organization works under the brand name of the site, very rarely under its own brand.	They mostly have their own brand name on behalf of which they offer rental properties.
5.	It may be involved in the whole activity or part of it.	It is in charge of the property management.
6.	The contract is for mediation or for performing a specific service.	The contract is subject to consumer law and is settled by the Law on Consumer Protection, in line with European Parliament Directive 44/97.

sites is “*hired*” management, which is also the goal of our research.

3. Definition and scope of “hired” management.

In the course of studying the scientific and legal literature it becomes apparent that that the terms on the subject are unclear, with a varied interpretation and definition of the scope of the object management activity. In Bulgarian legislation, this type of management is defined as a *management contract*, which is linked to a civil contract,

for joint action is concluded under the applicable law of the respective country. As options, it can be said that the services offered by the companies are varied and some can be outlined in *figure 1*.



Figure 1. Services offered by „hired” management

The choice of the particular type of management depends on the necessity of the tourist object which may include one or several types of services. Its features and scope are closely linked to a particular management object. For example, we can define the following activities:

➤ *General management* – In this type of management the owner provides the entire management and administration of the tourist complex; the owner is the one who makes all decisions on the current management of company's activities unless otherwise agreed. Forecasting is a key stage in the revenue management process.[1] The site is managed against agreed remuneration based on the financial results achieved. This formula, which has proved to be effective worldwide, binds “hired” management with maximum interest in achieving optimal economic performance. [3]

➤ *Financial management* is aimed at optimal management of the financial flows of the tourism enterprise and it combines corporate achievement and relates to production, marketing, innovation, human resources management and other activities. The revenue management is based on several economic fundamentals and assumptions that determine the applicability of revenue management as a practice.[1] An operating budget is prepared, performance control system is introduced; comparisons and analyses of costs are made, as well as

audits and inventories, reports and monitoring, labor cost analysis, auditing.

➤ *Marketing and sales*

A marketing plan is prepared, tailored to the specifics of each particular site, which includes strategies for forecasting, product development and positioning, pricing policy, market analysis, internet marketing, media and PR selection, staff training on key positions, etc. It also manages direct sales, online distribution strategies and sales, promotional and advertising campaigns as well as pricing strategy.

➤ *Expert and advisory services* – they are related to making a forward-looking analysis, market development and positioning plan, marketing research and competition analysis, marketing, sales and advertising, operational site management, cost management.[4]

Of course, all of the listed services are exemplary and can be modified according to the needs of the particular site.

4. Companies offering “hired” management on the Bulgarian market.

In order to identify the companies offering the service, an online survey was carried out by the authors. As a result, they managed to identify 11 companies offering “hired” management in Bulgaria and one of them in other countries. The survey does not claim that it covers all possible companies, the reasons for that may be several, and the most significant of them is the positioning of some of the companies which can hardly be found by the consumers or companies whose main activity is different but also offer management of tourist sites. Table 2 presents the names and websites of the companies positioned on the market.

Trends and changes in the use of “hired” management should be tracked in a future period and an analysis need to be made of the number of sites which this type of management at present and in the future

Table 2. Companies which offer „hired” management on the Bulgarian market

№	Company	Market	Number of sites	Website
1.	MPM Hotels	Bulgaria	9	http://www.mpmhotels.bg/
2.	BulgarianHotel Management	Bulgaria, Kazakhstan, Russia, Azerbaijan	16	http://www.bhmt.tripclub.org
3.	DelInvest EOOD	Bulgaria	N/A	http://delinvest.bg
4.	WT Consultancy	Bulgaria	12	http://www.wtc.bg/
5.	Travelbusinessexpert	Bulgaria	4	http://www.travelbusinessexperts.com
6.	DPMG	Bulgaria	4	http://www.dpmg.bg/
7.	Home Care*	Bulgaria	N/A	http://homecarebg.com
8.	Consult Hotel	Bulgaria	N/A	http://hotelconsult.bg/
9.	FPI Hotels&Resorts**	Bulgaria	7	http://www.fpi.bg
10.	Key2Property Management Ltd.	Bulgaria	16	http://www.key2propertymanagement.com
11.	BT Development Services JSC	Bulgaria	10	http://www.bt-ds.com/

* The type of management proposed is not clearly differentiated .

** It operates under its own brand. There is no clear distinction between the type of management proposed.

5. Advantages and disadvantages of „hired” management.

We can distinguish some advantages and disadvantages of its use in tourist sites.

Advantages:

- It saves resources (financial and human);
- It ensures optimum planning of the occupancy of the site for the time of its operation;
- It increases revenues by making effective use of the material base and resources available;
- It prepares a competitive pricing policy according to the season;
- It efficiently organizes the work of the different departments.

There are only few *disadvantages* and they are mostly related to the possible change of staff every season and a large percentage of the success in tourism is due to human

labour.

6. Conclusions

In conclusion, “hired” management is a very good choice for seasonal tourist sites, although the survey shows that there are also sites that work all year round but still use these services. The Bulgarian experience shows that this form is a solution for a part of the business owners and entrepreneurs.

We believe that its potential is yet to develop, especially due to the shortage of qualified staff in the field of tourism. Flexible forms of management have a high level of usefulness due to the optimization of the processes in the tourist site and provide for high quality tourist services to be offered by the professionals in the industry.

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