

# CONCEPTUAL ASPECTS AND INFLUENCE FACTORS OF TOURISTIC ENTERPRISE PROFITABLENESS

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*Abstract:*

*The organization and developing of any economic activity must be, in the same time, useful, which means to answer to some real needs of the society, and to be rentable, which means to create profit through the assurance of some bigger collects than the total cost of production. The profitableness is in a close correlation with the enterprises' professionalism, with time, with material and financial resources invested for an economic activity, on the fond of technological, scientific and ecological progress. The profitableness is a form of the efficiency, that concentrates in the capacity of the firm of utilize the production possibilities limit in own interes.*

*Key words: profitableness, production factors, profit, profitableness rate*

The profitableness synthesizes the action of all production process factors, being a first-plan indicator in the indicators system of economic efficiency at micro-economic level, thing that conduces to the conclusion that what defines the result of activity from economy, *economic efficiency*, can be only the supplementary value remained over the spent one, plus product, comparatively with invested resources for the realization of this value. *The profitableness* is an economic category connected to the existence of goods production and monetary relations. In order to be profitableness an economic unity, it must cover all the expenditures of production and circulation from personal incomes and to realize a profit. *The profitableness represents the capacity of economic unities of obtaining profit, of which to dispose them and the society concerning the economic development.* It shows the efficiency with which are used the material and human resources in the sphere of material production, it is an organic component of economic efficiency that cannot be identified.

The profitableness is a demanding of economic development. The obtaining of plus product is an objective necessity, a condition for the assurance of a sustained economic growth.

In order to research if an enterprise is viable is imposed the measuring of the profitableness rate. Also, in this sense, it is used the profit rate, between these two indicators not being any essential differences, only nuances that not change the general conclusion, but offer more closed information of some certain enterpriser possibilities to use the capital in risk conditions.

In the conditions of concurential market, the maximizing of profit rate is the essential criterium of enterprises decisions to spend with the development, the maintaining or the restriction of some economic activities. Thus, the economic agent has the possibility to action in first place, over the production volume, in order to find those dimensions of economic goods quantity to maximize the total cashings, minimizing, in the same time, the total costs.

The profitableness can be determined at product level, economic unity or branches level. At all these levels, it can be expressed in absolute size, but also in relative size with the help of profitableness rates.

The absolute profitableness of economic unities is gave by the profit volume, which also depends on the sale prices level and the costs one, and determine as difference between these.

In absolute dimensions, the profitability indicators are:

1. The exploiting result (profit or loss) which represents the difference between the incomes and the expenditures from exploiting:

$$R_e = V_e - Ch_e$$

2. The current result of the exercise represents the difference between the incomes and the current expenditures. The current incomes are incomes from exploiting summed with the financial ones. The current expenditures represent the expenditures from exploiting and the financial sum.

$$R_c = (V_e + V_f) - (Ch_e + Ch_f)$$

3. The financial result, as a difference between the financial incomes and expenditures:

$$R_f = V_f - Ch_f$$

4. The extraordinary result is the difference between the extraordinary incomes and the expenditures:

$$R_{ex} = V_{ex} - Ch_{ex}$$

5. The exercise result before the taxing, established through the summing of the current result with the extraordinary one:  $R' = R_c + R_{ex}$
6. The taxing profit is formed on the base of the result before the taxing at which we can sum the exceedings confronted to the levels connected to some expenditures categories or corrects with fiscal deductions foresaw by the law.
7. The exercise's result or net result is calculated as a difference between the taxing profit and profit tax.

In the context of profitability indicators, in theory and practice, is associated, respectively, examines the margins. For the tourism, the quartering activity is operational the margin of variable costs ( $M_c = CA(I) - C_v$ ) or the margin of direct costs ( $M_d = CA(I) - C_d$ ), where  $CA(I)$  = quartering cashing (business number);

$C_v$  = costuri variabile,

$C_d$  = costuri directe.

For the internal diagnostic, integrated in the management acceptance covering, but also for the informing of those who activate in the financial environment (banks, fiscal organs, business partners) an important role for the capacity of performances reflection occur thanks to the profitability rates as an integral part of a large economic financial rates system. The profitability rates, as efficiency indicators, are relative sizes that express the grade in which the advanced or consumed resources bring benefits, respectively profit and can take several forms.

Through rates is examined conditions and equilibriums of a past activity, present and future, are appreciated the function parameters of enterprise system.

The operational profitability rates, in static diagnostic, and also in the dynamic one, are:

1. The economic profitability rate;
2. The financial profitability rate;
3. The commercial profitability rate;
4. The consumed resources profitability rate;
5. The fixed and circulating profitability rate.

The importance of profitability rates is very special, because:

- it favors the orientation of production structure on products, branches, and sub-branches, in order to found to ones that assure the biggest advantage. The economic waves redirectionate permanently, putting on the economic activities an unequal development because the economic agents will restrict or abandon the low profit activities in the favour of the ones with bigger profit;
- stimulates the administration through the rational utilization of resources;
- contributes to the strength of enterpriser's interest for the difference of the products, having in his centre the modernization of quality concept;
- it favors the market segmentation and the differentiation of concurential strategies.

The profitableness synthesizes the action of every production process factors, expresses the main branches of their utilization efficiency. The increase of the profitableness supposes an increase maximum possible, at one time, of the profit reported to the allocated resources by the society to the unity or the respective economic branch.

The maximum possible increase of the profit cannot be perceived as an absolute and definitive situation. The factors' structure that conditions the profitableness size is in a continuous evolution. The extremely rapid and diverse dynamic of these factors that enters into correlation cannot fix to the profitableness an absolute and definitive value, but determines their movement, typing the tendency of approaching more and more to this point. Thus, the maximum possible increase of the profit appears as a suit of moments which evolution registers on a tendency line.

The increase of the profitableness, as a synthetic expression of efficiency administration of available production factors at a moment contributes to the acceleration of socio-economic progress. It conditions the larging of reproduction sources, but also the necessary funds forming of material stimulation of the producers.

The multiplication of the profitableness has favorable implications not only on intern plan, but also in the frame of international economic relations of that country. How much the created products and the services are of a better quality, have lower costs and a higher profitableness, that create better conditions for the increasing of their competitiveness on extern market.

The profitableness is a variable size in time and space, in function of a factors system, that influence it and of what the economic agent must take into account.

The most relevant factors that influence the profitableness rate can be grouped like this:

1. Factors about the production;
2. Factors about the price;
3. Factors about the cost.

These factors action in a systematic way, every factor having a contribution, and thus, the entire system of assembly factors influence the profitableness rate.

Every influence factor must be analyzed and dimensioned until from the faze of project of economic activity, in order to know from this moment the profitableness grade that will have to be followed on all the duration of the respective activity. The financialy analyze will have to show clear with what costs starts the activity creator of economic goods, that are the available resources and the ones that can be attracted, their utilization way, what will be the profit estimated to the beginning of the activity and minimum limit of profitableness.

The profitableness must be thought, realized and used having into consideration that she combines three synthesizing characteristics:

- represents a capacity, a productivity potential;
- expresses a result that acts in a normal way, a part of the economic profit, which means a connected supra-income, at least partial, from the absence of elasticity of the environment.

In conclusion, the profitableness is an appreciation criterium of the enterprises' viability and it can be obtained through a certain administration of economic activity, through realization of some scientific and realistic anticipations concerning the evolution of its own activity of economic agents, and of the market's conjuncture on which they act, that it can be reached the bankrupt position.

The most efficiency utilization of human, material and financial resources of the society represents the essential condition of economic-social progress, one of the fundamental characteristics of market economy.

In this context, also the touristic activity, through its mode of organization and development, is subordinated to this objective, following the obtaining of some positive economic results, in the same time with the satisfaction, in superior conditions of tourists demandings.

The profitableness of the enterprise represents the appreciated efficiency from the perspective of the entire used factors system, for the production and commerce of all touristic products from a certain period.

The tourism activity has some multiple targets in the direction of socio-economic efficiency, but, the heterogeneousness and the complexity of touristic product offers to the efficiency a larger sphere of comprising and evaluation.

The economic efficiency in tourism has a complex character, because expresses the result of a specific activities ensemble: intern tourism, international, alimentation, carrying out of services, detachment of goods, transport etc. The tourism activity results show, simultaneously, two aspects, that intercondition and interpenetrate reciprocal: economic efficiency and social efficiency. Each of these components of the tourism activity efficiency has direct and indirect effects.

The complexity of the tourism activity supposes a big diversity of the material base endowments, and the correct appreciation of their utilization efficiency supposes a vast and diversified methodology.

The efficiency has into consideration the useful effect (the result) obtained from the realization of touristic products and the expenditure (the effort) made for its obtaining:  $E = \frac{Q}{C}$ .

This report must be supraunitary, and the increase of the efficiency supposes the maximization of efficiency indicator.

The producer's profit from tourism is the difference between the total cashings of businesses number (the quantity of labour conscription saled multiplied with the commercialization tariff on market) and the level of touristic activity costs level analyzed:  $PrT = t \cdot Q - C_a$ ,

where  $C_a$  is the touristic activity cost; the sum of factors values that determines the quantity of saled labour conscriptions.

This profit, as a determinant function between the two elements, (the businesses number and the costs) starts to realize when the marginal productivity of every factor, valoric expressed, is equal with its price, what means that the producer will utilize a production factor in bigger and bigger quantities, as long as the cashings that come from the supplementary quantities utilization from that factor will be superior to the market's price for the respective factor, or paid cost for the quantity (supplementary) with which has multiplied the consum of that factor.

Because of the complex character of touristic activity that supposes permanently a certain number of factors, and the results depend on it, there results that the producer maximizes his profit, increasing in the same time the touristic services production (products) as long as the cashings come from the increasing with one unity of the factors, are superior to their cost. The maximization is a problem that aims at the volume, but also the profit rate or/and the profitableness rate, and the organized actions in this purpose cover practically all the factors that concur to the income raising or to the diminution of some touristic activity costs, but also the performer's options for an activity to another.

In tourism, between the rate and the profit volume, relation is directly proportional, and the profit's volume is influenced by a serie of factors, such as:

1. The productivity level or the factors efficiency that influence the results volume, fact that imposes to the touristic enterprise to orientate to some actions that conduce to a higher productivity.
2. Sale tariffs and cost, because the profit volume is the difference between the two as these; any diminution of the costs and raising of sale tariffs of touristic services has positive effects in the frame of profit rate.
3. The volume, structure and quality of touristic activities, that acts over the profit volume, individually, but also in combination.
4. The rotating speed of money.

Defining syntetical, the profitableness represents the enterprises' capacity of realizing necessary profit to the continuity and activity development, but also to the remuneration of the capitals.

In the assurance of this capacity it is interested the holder and user of production factors.

The notion of profitableness has a relative character. The aptitude to relieve monetary results cannot be judged independently by the hired instruments to obtain them. That is why, the profitableness rentability does not limit to the investigation of its absolute indicators, but also to the relative ones, obtained through the results reporting to the hired or consumed instruments for the developing of the repective activity.

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