

SIBIU EUROPEAN CULTURAL CAPITAL PROGRAM: MEASURING THE IMPACT ON THE ACCOMMODATION SYSTEM

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The Sibiu 2007 European Cultural Capital (ECOC) was monitored in order to highlight the long-term impacts of the event. Preliminary findings on the tourism impacts are presented based on field research among visitors and statistics and field inventory. The most visible as well as the most significant impact on the city is the growth of accommodation supply. Not only did the number of licensed units and room grow substantially, but there was also considerable growth in the informal accommodation sector. Not only the city of Sibiu, but also the surrounding region benefited from the ECOC opportunity. The research shows that although the informal sector was able to respond fastest to the growth in accommodation demand, the greatest economic impact came from the development of large commercial hotels in the city itself.

Keywords: European Capital of Culture, tourist accommodation, economic impact
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The European Capital of Culture staged in Sibiu during 2007 was a unique event. It was the first European Capital of Culture (ECOC) to be staged in one of the post-2004 EU accession countries, and it represented a major challenge in being staged just as Romania was joining the EU. A framework for monitoring the impacts of the 2007 ECOC in Sibiu was established in January 2007, as part of the ATLAS Winter University, which formed part of the ECOC programme. Pilot surveys were carried out with residents and visitors in order to design the final research instrument. This was largely based on questionnaires already utilized for other ECOCs, including Rotterdam (2001), Salamanca (2002) and Luxemburg (2007).

The surveys were also designed to provide comparisons with earlier surveys conducted in Sibiu by the “Lucian Blaga” University in the framework of the ATLAS Cultural Tourism Research Project. These surveys provide a useful benchmark for the period before the ECOC, with data collection having started in 2001. This research, which is still in progress, has revealed some particular methodological problems that arose in comparing field research with official or officious statistical data. Most of these issues are related to accommodation data.

In attempting to measure the tourism impact we have found that it is difficult to separate the impacts of the ECOC itself from the general growth in tourism supply in Sibiu, which would probably have shown some growth without the ECOC. However, looking at the pace of growth, it is clear that the period after 2007 has seen a substantial increase in the supply of hotels and other accommodation facilities. In particular there was a sharp increase in the number of hotels and hotel beds in the city of Sibiu itself.

Capacity in Sibiu county hotels, 2006-2009 according to official statistics

	2006	2007	2009
units	22	27	43
rooms	1072	1227	1988

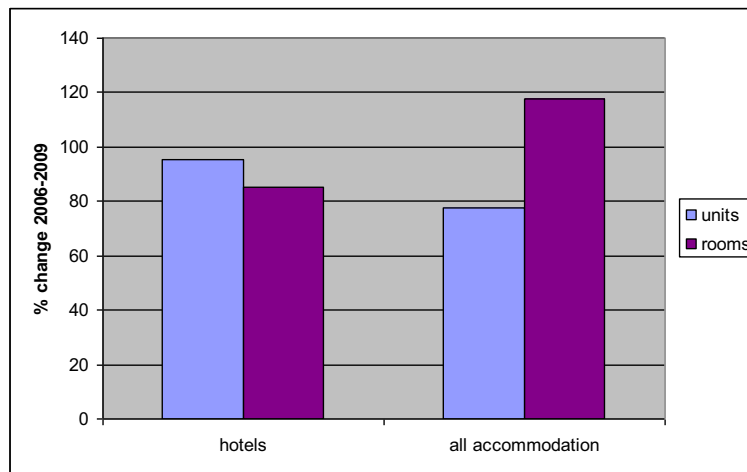
This growth has been reflected to a greater or lesser extent across the county of Sibiu and in other categories of accommodation as well.

Capacity in Sibiu county all accommodation, 2006-2009 according to official statistics

	2006	2007	2009
units	271	359	481
rooms	2316	3057	5039

The overall result has been a doubling of total accommodation supply since 2006.

% growth in accommodation supply 2006-2009



Trends in the economic impact of tourism are also evident from the data on tourism tax revenues. These show clearly that 2007 marked a giant leap forward in terms of the development of the tourism economy of the city and the contribution of tourism to civic finances. Tourism tax revenues grew by over 70% between 2006 and 2007, and have remained at these high levels in 2008 and 2009. In spite of the general downturn in tourism in Romania, tax revenues were still 70% higher in the first half of 2009 than they were in 2006. This shows that the ECOC was successful in stimulating a qualitative change in the development of the tourism industry in the city.

Although the overall pattern of growth in accommodation supply is clear, detailed analysis of the accommodation data reveals major challenges in trying to reconcile different sources of information. Hotel statistics present considerable problems of analysis, because of different categorizations and a lack of coverage of certain types of accommodation. The Master Plan for tourism in Sibiu County presented in November 2009 by Marketscope shows that Sibiu County has a total of 518 accommodation units, of which most are rural tourist pensions (159), followed by general category of pensions (124) and urban tourist pensions (66).

Sibiu County: synthesis parameters of accommodation capacity								
BY TYPE OF UNIT, CLASSIFICATION OR AS ASSUMED BY THE UNITS								
Types units	Classified				Inventory (total tourist)			
	Number of units	% Of total units	Capacity (capacity)	% Of total capacity	Number of units	% Of total units	Capacity (capacity)	% Of total capacity
Apartments for rent	1	0.3%	2	0.02%	18	3.5%	117	0.9%
	11	3.3%	464	5.2%	36	7.0%	1,173	9.1%
Rooms for rent	14	4.2%	152	1.7%	17	3.3%	176	1.4%
Camping	2	0.6%	120	1.3%	2	0.4%	120	0.9%
Hostel	8	2.4%	389	4.3%	18	3.5%	984	7.6%
Hotel	32	9.5%	3,107	34.6%	39	7.5%	3,584	27.8%
Motel	7	2.1%	257	2.9%	8	1.5%	281	2.2%
Pensions	69	20.6%	1,218	13.6%	124	23.9%	2,144	16.6%
Rural Tourist Pension	125	37.3%	1,865	20.8%	159	30.7%	2,332	18.1%
ourist town Pensions	61	18.2%	1,173	13.0%	66	12.7%	1,278	9.9%
Villas	5	1.5%	238	2.6%	31	6.0%	704	5.5%
TOTAL	335	100%	8,983	100%	518	100%	12,893	100%

Source: Marketscope (2009)

In respect of accommodation available, rural tourist pensions account for less than one fifth of the total (18%) and hotels account for approximately 28%. But pensions have almost half the total volume of accommodation available in the county (44.6%).

Accommodation supply in Sibiu County, 2009 (official statistics)

Types units	Sibiu County	
	Number of units	Capacity (places)
Hotels	28	2473
Hostels	3	147
Motels	7	197
Touristic Villas	6	263
Touristic Chalets	11	396
Touristic boarding houses (pensions)	32	580
Agro-tourist boarding houses (pension)	74	1135
Camping	1	120
School and pre-school camps	7	590
Touristic house let-type units (<i>casute</i>)	3	112
Total	172	6013

Hostels and camp sites are not counted either by the Sibiu County Statistics Direction's monthly report or the National Institute for Statistics. The data as presented in Annex 2 of the Master Plan also show that some of the listed units are excluded from the statistics, as accommodation units of less than 5 bed spaces were not taken into account by official statistics and from January 2009 all units with less than 10 places were excluded.

Comparing the data from various sources underlines the problems in monitoring the accommodation impacts of the ECOC.

Accommodation supply according to different data sources, 2005-2009

	2005	2006	2006	2007	2007	2009	2009	2009	2009
	statistics	statistics	licensed	statistics	licensed	statistics	AJTS	licensed	inventory
total county									
units	111	120	273	137	359	72	491	335	518
rooms			2315		3057		5039	3335	5417
places			7399		8352	6013	12083	8983	12893
average places/room			3.20		2.73		2.40	2.69	24.89
average places/unit			27.10		17.69		25.12	26.31	24.89
sibiu town									
units			82		82		162	108	148
rooms			1029		1321		2284		2284
places			3756		2453		4633	3735	4584
average places/room			3.65		1.85		2.03		2.01
average places/unit			60.58		29.51		28.60	35.05	30.97
around sibiu									
units			170		221		189	no data	189
rooms			852		1305		2289		2284
places			2199		2487		3919		4663
average places/room			2.58		1.91		3.04		
sibiu and surroundings									
units			232		303		351	no data	
rooms			1881		2626		3573		4568
places			5955		4940		8552		9247
other locations									
units			41		56		130	no data	
rooms			434		431		488		849
places			1444		1412		3531		3648
% of sibiu in county									
units			44.45		43.21			0.00	440.93
places			50.76		58.62			-42.14	35.55

In general, the data show that the surrounding regions of Sibiu (villages and towns with in 30 km of the city) reacted sooner than city to the opportunities presented by the ECOC. The main growth in the Sibiu region took place in 2007, but the main expansion in the city itself didn't come until 2008, largely as a result of the delayed opening of major hotel projects there.

It is clear that the Sibiu region has a large number of small capacity units (most of them pensions), which practically double the accommodation capacity of the city. Field research has shown that the prices in this area are much lower than in Sibiu itself, and clients choose them not only on the basis of lower prices but also as a distinct offer, with a rural lifestyle contrasted to the urban experience offered by the city.

According to the Tourism Ministry data Sibiu county had 2315 rooms with 7399 places (3,2 places / unit) in 2006 compared with 4354 units with 11882 places (2,96 places / unit) in 2009. The number of units also grew significantly in the city, from 1029 units with 3756 places (3,65 places / unit) in 2006, to 2062 units with 6106 places (2,96 places / unit) in 2009. In spite of the opening of large chain hotels in Sibiu the smaller accommodation units grew faster. In the period before the ECOC in 2002 – 2005 this led to a shift away from tourists staying with friends and relatives towards staying in the newly-opened small accommodation units.

Although the informal sector was able to respond more rapidly to growing accommodation demand prior to the ECOC, our field research shows that few small owners had any specific business strategy or marketing plan. Some owners took advantage of growth in demand by opening their own website, often linked to the homepage of the Municipality. Many simply relied on month to month promotion. There is a general lack of professionalism among smaller accommodation operations and there is a need for special training.

The most surprising findings relate to the influence that the city has in the surrounding areas. These areas saw a growth in accommodation units of 116% between 2006 and 2009, and a 98,4% growth in the number of beds over the same period. Together, the city and the surrounding areas

now have 3904 units with 19469 bedspaces, or almost 90% of the capacity of the county as a whole. The city of Sibiu itself only accounts for 53,3% of overnights in the county, which indicates that the city has generated tourist flows in the surrounding region more than in the city itself. Building the tourist offer for Sibiu must take into account the surrounding regions both in terms of additional supply and as a complementary tourism product.

However, effective planning for tourism development must also be based on accurate information about the supply of accommodation. These official figures from the Sibiu Department of Statistics are calculated using a sample of the licensed tourist accommodation units. In using these statistics the composition of this sample must be taken into consideration. Because of the ECOC the sample for Sibiu is larger than those for other counties as stated by officials from Sibiu Department of Statistics. It is very difficult to use detailed data from this source as the databases are custom-made and have to be analysed by the Department itself. These databases also contain no qualitative information on issues such as: tourist motivation, sources of information, tourist expenditure, etc. To gather these data field research is required.

The importance of collecting more detailed statistics is indicated by long term trends in tourism demand. An important change in the tourist season has occurred since 1990: a change in seasonality for high category hotels. Until 1990 all hotels were full from April until October because of mass tourism and coach groups. During the low season from November to March the only foreigners were Soviet groups on their way to visit relatives on Hungary, Czechoslovakia or the GDR. Now the major chain hotels have their low season in summer and their high season in spring and autumn because of events organized in Sibiu mainly by Romanian companies or global companies located in Romania. Further investigation is required to analyze this trend.

There are also no available data on the turnover of tourism industry in the city. Direct observation has shown that the restaurants are well developed in the city and in the neighborhoods. They are not only serving local people but also contribute to the animation of the areas in which they are located. During January 2007 the students of the ATLAS Winter University found that 84% of people visiting the main square regarded the general atmosphere of the city as the most important factor in their visit.

Some of the increase in hotel revenues is due to tourism growth, but there is also an important effect from the upgrading in the hotel stock. By 2009 Sibiu had an additional 6 four or five star hotels compared with 2006.

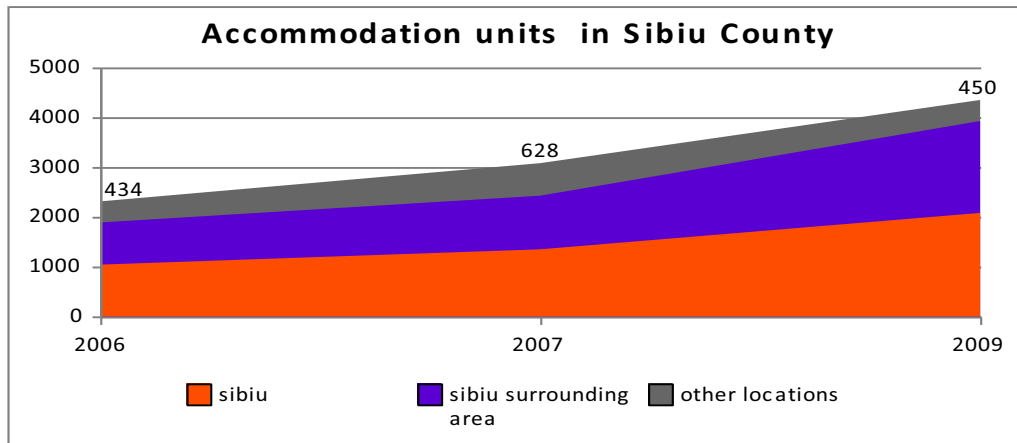
Number of hotels by category in Sibiu

	unclassified	1*	2*	3*	4*	5*	total
2006			6	6	1		13
2008			5	9	1		15
2009	3	1	7	12	6	1	30

Because many of the hotel projects related to the ECOC were not actually operational until 2007 or even in 2008, the biggest effects of hotel development were actually felt the year after the ECOC.

Not only did tourism increase, but visitors also stayed in higher grade accommodation and therefore paid higher average room rates. This picture only began to reverse in 2009 with the effects of the crisis, but this decline is also in line with national trends.

The growth of hotel accommodation in Sibiu itself also had a strong impact on the surrounding region. Growth in the regions close to Sibiu was just as strong as in the city itself.



In conclusion, our preliminary findings show that Sibiu ECOC has had a strong impact on accommodation development both in terms of quantity and quality, not only in the city itself but also in the surrounding region. Although the informal accommodation sector responded fastest to the opportunities offered by increased demand stimulated by the ECOC, the greatest economic impacts were derived from the opening of high-quality chain hotels in the city centre.

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