

## PENSIONS MANAGEMENT IN THE RURAL AREAS

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### **Abstract**

*Local boarding houses tourism has found its best expression represented by tourist areas, because the natural landscapes and authentic rural customs already exist and thrive. Rural tourism and tourism business initiation at the hostel comes with solutions for rural development. Moreover, the rural areas represent about 92% of the total area of the country. In this context, the author comes to treat the aspects of tourism activities in rural areas in this article, focusing on practical research in the field. There are described pensions performance factors, complexity of administrator`s functions from pension, the importance of cooperation and the networking in the field and examples of good practice.*

**Key words:** *agripension, guesthouse, rural tourism, tourist, management*

### **INTRODUCTION**

The management and organization of the tourism activity in the rural pensions is the main issue of these businesses, in the context that the rural tourism businesses are small, ran by people who usually don't have travel or tourism management studies.

Therefore, over several years of studying the aspects of rural tourism and rural tourism management we intend to analyze these issues in depth.

*Pensions` management* can be defined in the Dictionary of tourist terminology as a structural process involving planning, organization, coordination, training and control of material, financial and human resources available to the manager in order to achieve objectives.[6]

Guesthouses in rural areas are basically households organized on the basis of ordinary village houses.[2] Thus, the advantage of initiating rural tourism business involves relatively minimal investment related to the construction of the accommodation place. The house may be old (hence the charm and mystery of rest in the country), but tourists are offering all comforts: bathroom, shower, comfortable furniture equipped bedrooms with free access to court etc.

Rural touristic pension is largely a family business, so the most common legal form is

the individual enterprise, as an example we can mention pensions Hanul lui Hanganu (Hanganu`s Inn), Casa din luncă (House meadow), La nuci (At nuts), Vila roz (Pink villa), Vila verde (Green villa), Casa mierii (House of honey) etc. According to the methodological norms for classification of tourist accommodation structures touristic pension is the tourist accommodation, located in an urban or rural location, for the accommodation of tourists, with a capacity of between 3 and 20 rooms, operating in private homes or in independent buildings, that provides catering. [5] The name of boarding houses/guesthouse and agripensions in rural areas, usually, includes words *house, inn, villa*.

Currently in Moldova, according to official statistics there are about 19 touristic pensions, although the number is much higher, but practice a semi-legal activity or do not correspond to classification of tourist structures. This is also determined by the complexity of opening a hostel (many documents, bureaucratic aspect) and the high cost of opening. If to make a parenthesis, for example, note that in Poland to start business in rural tourism are required only IDs of family members and veterinary certificates proving that animals from pension are healthy. In this context, we suggest revising and simplifying the initiation of rural tourism

business procedure.

In different rural touristic pensions and agripensions, the owners have at least one agricultural activity, like animal husbandry, cultivation of different types of plants, orchards, vineyards, or production of handicraft articles. This kind of activity must take place continuously.

## MATERIALS AND METHODS

The purpose of this research aims to analyze the management activity within touristic pensions/agripensions in the Republic of Moldova.

Field research was conducted during the months of June to August 2014, the period of intensive work of rural tourism activities.

Were analyzed five rural tourist pensions and agripensions in the center of the Republic of Moldova. An in-depth study was made in Agripension Butuceni, which is located in the village with the same name - Butuceni - Orhei. The study focused on observation and interview as direct research methods, as well as detailed analysis of documents and statistical data sources as secondary data collection methods, comparison of organizational aspects of tourist pensions in various European countries.

It is also used description as a method of presenting pensions.

We have analyzed the websites of these hostels, guest book, suggested menus to tourists.

Discussions with managers/administrators of investigated pensions provide a first-hand factual material.

For the analysis of economic indicators and performance indicators of Agripension Butuceni were used mathematical and statistical methods.

$N_{in} max = \text{tourist accommodation capacity in operation} * \text{Nr./day in a given period}$  [1]

where:

$N_{in}$  - the number of overnight stays in a certain period;

Another indicator analysed is the *attendance rate* that reflects the ratio of the number of nights and number of rooms occupied. Usually, the amount is between 1 and 2,

which expresses the average number of customers who are in a room occupied at a given time.

$$I_f = N_{in} / (\text{nr. of rooms} * \text{nr. of days/month}) \quad [2]$$

where:

$I_f$  - the attendance rate;

*Net capacity utilization rate* of tourist accommodation are:

$$I_n = N_{in} / \text{nr. of rooms} * 100\% \quad [3]$$

The annual *net capacity utilization rate* at Agripension Butuceni is about 20 percent.

*Seasonality index* indicates the demand for tourism, tourist flows print uneven evolution over time, particularly important effects on the economy, environment and society.

Looking at the number of tourists and backpackers hostel in seasons, it is noted that in recent years, the second and third quarters (April-September), most tourists arrived. This is due to religious holidays (Easter) in this period and annual leave and holidays.

*Index* expresses the ratio between the average quarterly seasonality and general media, which has a maximum rate (more than 1) in the third quarter. Fourth quarter is balanced by its end, when the number of tourists at the end of December increased considerably. The main economic indicators are reflected in the table 3.

The performance of the pension is due to cooperation, partnerships the boarding has extended. It has contracts with travel agencies as the following: International Travel, Tourism Solei, Amadeus Travel, Tatrabis, Aviatur. Other partners include hotels Vila Verde, Europe and Manhattan. Also, a number of private equity firms, which organize various celebrations or business party inside the pension are permanent customers.

In assessing the views of tourists to the services provided by the Agripension Butuceni, author developed a feedback questionnaire, which the tourist is asked to complete it at the end of his stay. By this questionnaire tourist sees that his opinion matters and pension managers strive to provide comfort and leisure to tourists during their stay.

**RESULTS AND DISCUSSIONS**

In the Republic of Moldova tourist pensions are classified by stars (1-4 stars) and the agripensions - 1-3 stars, [5] compared to other European countries we can be classify them by flowers or daisies: in Romania - from 1 to 5 stars/daisies in Austria starting from 2 daisies, in France accommodation type “meubles” are ranged from 1 to 4 keys, those of "Gites" from 1 to 5 spices, and in region of Flanders (Belgium) from 1-4 clover leaf. [4] Evolution of agripensions in the Republic of Moldova in the last 5 years is modest (table 1), which reflects the fact that this type of business is not too attractive for local entrepreneurs, despite the efforts of authorities to boost the tourism in the rural sector areas, which also recorded in the National Strategy "Tourism 2020". [7]

Table 1. Tourists accommodated in collective tourist accommodation establishments (pensions and agripensions, *people*)

	2009	2010	2011	2012	2013
Total pensions and agripensions	15	13	15	19	19
%, share of pensions in total accommodations	6,02	5,2	6,07	7,3	7,1
Total places	913	743	813	905	867
%, share of accommodation fund of pensions	3,21	2,62	2,95	3,2	3,0
Tourists checked in pensions	12346	13290	11701	11570	11526
%, share of checked people	5,41	5,78	4,71	4,31	4,24
Net capacity utilization rate,%	19	18,9	15,7	16,6	15,7

Source: prepared by the author based on National Bureau of Statistics

**Touristic pensions administration.** The management of this activity usually involves both spouses, that hold all business responsibilities (for example, guesthouses *Vila verde, Casa din luncă, La nuci, Hanul lui Hanganu*). In this activity a person can have multiple functions. The tourist pension manager activity is quite complex, and more difficult than activity of a simple hotel manager, because it is responsible for reception, kitchen and promotion (for example, the manager of *Agripension*

*Butuceni*. He must be well informed, know all legislative changes in this domain and take account of sustainable tourism component.

At the same time, the owner of the guesthouse, which can be its manager, depending on needs, can take part-time staff being trained inside the pension or with studies in related areas: culinary, business, customer relations, handicrafts etc.

Owners/managers of rural touristic pensions should have a number of personal and professional skills. Among the personal skills we can mention:

- Spirit of initiative;
- Imagination and creativity;
- Promptitude in implementing the ideas and receptivity to proposals that are received from tourists (often tourists are generators of “free ideas”);
- Esthetic spirit;
- Decisional capacity;
- Care for hygiene (he must take care of his look, especially when he hosts visitors, even if he is in process of preparing tables or other chores) etc. [1]

Most rural pensions in Moldova work 120 days per year: the months June-August, Easter holidays, winter holidays or during holidays like Great Sunday, Sânzienile, Folk Song Festival etc.

*Specialization and differentiation strategies.*

We mentioned that rural tourism businesses are usually small business of accommodation up to 20-40 seats and a little more for serving dinner, so that`s the reason why enlargement is not the best option. Each household has something specific to offer to tourists, and it should be noted and made it so that the tourist can feel this. The tourist knows that if at *Casa părintească* (Palanca, Călărași) he finds a menu (sărbușcă - kind of soup, sarmale (cabbage rolls), baked traditional pies, mainly peppermint pies, the herbage tea from “biblical garden” of housewife, gem), then at the guesthouse *Casa din luncă* (Trebujeni, Orhei) he will be served with a rustic lunch (soup, omelet, salad, wine). Some tourist pensions do not have a set menu, which is offered at the tourist`s request.

A pension has its own style, taking into the consideration the customs, traditions or

specifics of rural villages. Pension's administrator may adopt one of two styles: the manor manorial or traditional style. One of the original ideas of tourist accommodation is accommodation "bașcă" (Hanul lui Hanganu), a sort of cellar or basement adapted and equipped for tourist accommodation.



Fig. 1. Bașca in pension *Hanul lui Hanganu*

The objects of touristic interest should have a "history" or a "legend". In the households we can find things with great cultural value, which present interest for tourists (for example, a traditional blouse (ie) dating from the early twentieth century, a photograph of the village over a hundred years old, agricultural items, towels, articles of furniture: bed (sovcă), chest, a traditional box (sunduc), portraits, icons, etc.), so owners need to know the history and legend of these things. At the same time, they must combine the traditions and customs with the village history or touristic objectives. The owner/manager of the guesthouse *Casa părintească* offers tourists local history lessons promoting national culture and customs among Moldovan tourists.

The originality of each pension is created with imagination of the pension's owners or employees and every detail counts and influences customer's loyalty. The customer does not forget the pension where he was served at a high level or from which he received a gift or which makes him want to return back. For example, at the guesthouse *Vila Roz* foreign tourists will return in the coming years because they planted roses (in the same context in spring they could plant trees or shrubs under the motto "A tree for continuance"). At the *Agripension Butuceni*

tourists baked bread or picked grapes to make wine.

It matters how tourist is welcomed, if at a hotel they give you the keys, at a tourist pension, they may propose a glass of water, wine, a pie or traditional bread and salt.

*Organization of rural touristic pensions.* Because they directly deal with receiving guests and their program throughout their stay, the hosts are basically "linked" to the house, and in their absence it is handled by other family members or people trained. [3] All activities must be coordinated in time for the tourists not to be intimidated or wait for the cleaning of the accommodation or meal preparation. The main activities of householders should not interfere with tourists, and the animals and birds around the house should be housed in special detours away from home. Rooms and sanitary facilities for tourists should be made exclusively available to them. Inside the accommodations shouldn't be allowed personal belongings of the hosts.

Performance of pensions often are reached in time, but on the way to perfection can be committed many errors in the administration of rural pensions. Although in training programs for pension's administrator are proposed more tips on issues to be avoided, however they still persist.

*Performance indicators of Agripension Butuceni.* The *Agripension's* mission is to develop and promote rural tourism and meet the quality needs and customer requirements. The managers of the boarding-house set the goal that everybody who passes the threshold of the house could feel like at mother's home. The recollection of "lejanca" (kind of bed) stories where you can "seem to hear again the sweet voice of our grandparents spinning the fairy-tales about Făt-Frumos and Ileana Cosânzeana", the smell of hot food just taken out of the oven, the atmosphere of the medieval village where the traditions of our people are still alive, a glass of wine which keeps the sweet of sunrays, the hospitality of hosts – everything will be offered at our boarding-house.

Accommodation capacity of *Agripension Butuceni* is 17 rooms (38 accommodation

places). Ascension of the tourist flow was noticed in the last two years, when occupancy in June-August weekends reached 100%. Also, there is an annual increase in occupancy in the period 2012-2014 by 5% annually, the employment rate reached 60%. The pension is visited daily average of about 30 tourists, backpackers, and in 2013 the number of tourists reached 15 thousand people.

Although the number of tourists is growing, the share of foreigners in the total number of tourists has decreased in the last 3 years by 20 %.

Table 2. Proportion of foreign tourists in the total number of tourists at the Agripension Butuceni, %

Period, years	Foreign tourists	Domestic tourists/vizitors
2012	70	30%
2013	63	37%
2014	48	52%

The 2014 summer period was characterized by a large flow of domestic tourists, tourists prefer resting in a quiet environment, with a short stay. Foreigners choose short stays (1-2 days) or weekend, which due to the hospitality of the hosts, scenic spots, tranquillity, you can even extend up to 7 days. For most tourists Agripension -Butuceni is a transit stop. Initial uncertainty, fear of the unknown makes foreigners more reserved, so with obtaining safety and quality of services and abundant cuisine, length of stay tends to increase. At the same time during your stay, in our opinion, is thwarted also by high prices. A tourist spends an average day at the pension 1000 lei (about 55 euro) for a week and this amount may rise to 400 euros, which would exceed a Romanian or Bulgarian seaside holiday. Although prices are justified by the cost and quality of service, they shorten the tourist season.

The contingent of foreign tourists at the Agripension analysed in the period 2012-2014 is inhomogeneous. Once home to a top downwards they come from: Romania, Ukraine, the Netherlands, Bulgaria, France, Poland, Croatia, Switzerland, Belgium, Turkey, Azerbaijan, USA, China, Colombia,

etc. Purpose of travel concerns in principle local community knowledge, traditions, customs, tour of Old Orhei Historical and Cultural Festival annually snacks.

Table 3. The main indicators of Agripension Butuceni, August 2014

Nr.	Indicator	Value
1.	$N_{in\ max}$	1178 overnights
2.	$N_{in}$	950 overnights
3.	$I_f$	1.8
4.	$I_n$	80.6%

*The staff of Agripension Butuceni.* For proper work and better meet customer requirements as are employed 12 people in states with set hours of work: 1 administrator, 2 Kitchen, 4 help chefs, waiters and staff. Their functions are clearly established, if necessary being accumulated. One of the weaknesses is that only 3 of them have studies in tourism, personnel activity is based more on intuition and experience or self-education. Employees are people from Butuceni and Trebujeni, and other remote areas.

The Agripension Butuceni can provide full board (3 meals) on request. Practice proves that applicants of full board are mainly domestic tourists' connoisseurs of local cuisine. Foreigners opt for lighter and varied menu.

Packages include 2 gourmet lunches and dinners "National" and 2 lunches and dinners "Economy". Lunch "National" fits in the price of 300 lei (15 euros) per / person, and the "Economy" range between 150 and 200 lei (7-10 euros) per / person. Dinner offers a wide range of dishes to choose, the price exceeds 320 lei (16 euro). In this context mention that the prices are considered by tourists as high or exaggerated.

*Promoting activity of Agripension Butuceni.* Notoriety of Agripension Butuceni has increased in recent years due to quality services, tourist satisfaction or as the maximum says "Any satisfied customer is a carrier of positive information". Accordingly, a satisfied client will attract others, and in return will become a loyal customer.

Promoting television (TV show - Folk fan Asphalt de Moldova, filming of videos, interviews) are effective ways to attract

tourists. Also visit of Agripension by outstanding personalities from various fields increase its attractiveness.

Annual participation in rural tourism exhibitions abroad (Bulgaria 2013, Israel 2014), but also in the country (Exhibition: Tourism, Leisure, Hotels) is a good opportunity to promote the pensions' activities.

Promoting by web page created in three languages: Romanian, Russian, English, offers the possibility to the tourists to discover the Butuceni hospitality, beautiful places, and history of the country as a whole.

In the second table are considered the most notorious websites guesthouses in the area.

At the Agripension Butuceni to tourists are also provided business cards and leaflets information. However, the lack of budget, reduced accommodation capacity concentration of tourist demand in the summer months and excess demand at certain times make the promotion to be sporadic, inconsistent and unprofessional.

Customer retention and dispersed demand throughout the year is one of the concerns of pension's administration that is looking for solutions in this area.

In author's opinion to improve economical and financial indicators of Agripension Butuceni, it is necessary to perform the following:

- Creating a database of tourists;
- Computerized evidence of tourist's activity of agripension;
- Creating a local guide maps for tourists accommodated at the hostel because disperse the accommodation, entertainment, dining, and reception;
- Initiating a guest book and placing it in a visible place, placing comments on the website of agripension;
- Systematization of pension's activities and creating unique concept of pension;
- Evaluation of questionnaires for staying tourists by developing opinions and requesting their completion, in order to determine satisfaction of tourists, but also their grievances, suggestions from them;
- Customer loyalty by keeping constant contact;

- Passporting Old objects from dining room and reception of agripension.

Table 4. The analyse of web sites

The existence of the information sought by tourists boarding site in the countryside	Agropensiunea Butuceni	Casa din luncă, Trebujeni	Hanul lui Hanganu, Lalova	Casa de sub stâncă Trebujeni
<i>Category comfort/receiving unit classification</i>	+	-	-	-
<i>Image gallery, sometimes filming location video</i>	+/-	+/-	+/+	+/-
<i>Details table, menus</i>	+	+	+	+
<i>Prices, payment arrangements agreed (including card types supported)</i>	+/-	+/-	+/-	+/-
<i>Check-in and check-out</i>	+	-	-	-
<i>Visitor comments and discussion forums</i>	-	-	+	-
<i>Contact clear / detailed</i>	+	+	+	+
<i>Information about objectives and tourist attractions, tourist</i>	+	+	+	+
<i>Indication distances from: landmarks, center, train station, close to major cities</i>	Partially	Partially	Partially	Partially
<i>Leisure opportunities</i>	+	+	+	+

Cooperation and partnerships on the rural tourism market. The multiplier effect generated by the rural tourism is one of the indicators of success in rural businesses. Any performance obtained from a pension or guesthouse, a handicraft workshop will lead directly and increase benefits for the local community.

A rural tourism business cannot operate independently without the support of public partners or cooperation with other companies in the area.

One of the major partners in the management of rural tourism business is local government (LG). Additional benefits consist of rebirth local customs and traditions, stimulating local

trade, training people from the community in entrepreneurship, thus tackling the issue of migration and attracting investment and LG can solve the problems related to rural boarding of infrastructure: construction of roads, sewerage, telecommunications networks, protection and preservation of landmarks, the approval of local programs of support and development of rural tourism, for example Tourist Destination Nisporeni-Prut: Tourism Development Plan of Nisporeni (2009-2013); Rehabilitation of Medieval Court Lăpușna for sightseeing.

Other public partners would be organizations managing tourist attractions: museums, nature reserves, churches. In fact, the church has a tradition for centuries to promote rural tourism, as well as hospitality services, so its appearance as an active partner in current affairs is not surprising. Other collaborations would be with diverse as folk craftsmen or groups. For example, the pension's hall may be exposed to various works of painters, sculptors, and other craftsmen in the town which tourists could buy.

In promoting and supporting rural tourism a special role have professional associations. They appear as behavioural adjustment tools and imposing its members' interests in dealings with the State or public organizations, but also the tourism sector regulator in rural areas. Among them we can mention: National Association of Travel Agencies from Moldova (NATA), Association of Tourism Development in Moldova (ADTM), National Association of Rural Ecological and Cultural Tourism (ANTREC).

The opportunities for growth and development of agro tourist pensions only open in the field by creating a network or association. They can provide assistance and advice in the field, improve, diversify, promote local rural tourism product.

## CONCLUSIONS

In conclusion, we mention that tourism in rural boarding is a growing trend both at European and national level, and for the success of such business is required good

management, that is not sporadic and inconsistent. Rural tourism can be considered tourism of crisis periods, given the fact that tourists would opt for a holiday in the countryside with less than high mountains or in the context of the owners of pensions revising pricing policy. More and more tourists are interested in historical and cultural sights, this could give rise to rural transit pensions where tourists would stay one night on the way to more remote areas of the country or if they would like to visit several objectives over a period of 1-2 days.

Creating local tourism brand "tourism in the country" would ensure confidence of tourists in such services, and for that we would benefit from the creation of a single logo to designate a rural guesthouse or agripension.

We mentioned earlier that rural tourism is concentrated more in the summer, so we consider it necessary to create a model of "rural tourism year" which would include many forms of tourism dispersed throughout the year.

The Internet has revived the world, so online booking should not lack from the hostels website and pension's managers will ensure this.

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