

THE ROLE OF PROJECT MANAGEMENT IN THE FORMATION OF HISTORICAL TOURISM ATTRACTIVENESS FACTORS

Cristian Silviu BANACU¹

ABSTRACT

The paper analyse the possibility of using the project management for reenactment activities as a tool for building attractiveness factors in the counties of Romania according to their historical heritage. A problem that is obvious in Romanian tourism is the low degree of occupation of hotel rooms during the whole year. It is estimated to be around an average of 31.5 % degree of occupation of hotel rooms situating. Romanian tourism is on the last places in Europe and very few attractive from the point of view of profitability. For a good efficiency of putting into practice the solving of the up mentioned problem Project Management will be used for Reenactment Developing Projects in order to create the factors of attractiveness. In the paper we consider the following methods for the valuation of the potential for re-enactment activities and investments in rehabilitation of old historical sites and buildings: The contingent value method, The travel cost method, Hedonic Price Method.

In order to relate the creation of attractiveness factors by re-enactment activities and tourism investments we propose an econometric model. This model is useful for the establishing of a relation between BETA variable that quantify the income from re-enactment tourism and the development of the local development due to historical tourism and antique (ancient) souvenir production expressed by four variables.

Using statistical model and ANOVA simulation, we link the value of regression parameters.

KEYWORDS: *Project Management, reenactment, attractiveness factors, historical tourism, historical property valuation.*

JEL CLASSIFICATION: *Q56, P51, P56, R11, R13*

1. INTRODUCTION

Project Management is seen as a part of the science of Management oriented to give practical solutions to many problems in a very organized way. The accuracy of identifying the problem that needs solutions to be solved, having in mind the scope, objectives, resources and time to be used are making project management a strong vehicle to reach the proposed objectives.

In many situations, a good project management is the best way to materialize an idea, to solve a real life problem.

A good problem to be solved by project management is to put into value through the creation of attractiveness factors the heritage properties and historic sites by stimulating reenactment tourism activities.

To reach this objective it, a classification of the historical and heritage properties and items is necessary.

2. THE PROBLEM

A problem that is obvious in Romanian Tourism is the low degree of occupation of hotel rooms during the whole year. It is estimated to be around an average of 31,5 % degree of occupation of

¹ The Bucharest University of Economic Studies, Romania, cristian.banacu@man.ase.ro

hotel rooms situating Romanian tourism on the last places in Europe and very few attractive from the point of view of profitability.

Many investors in Romanian Tourism put this problem on the fact that resort areas from the seashore are non attractive for tourists in the periods of early spring, autumn and winter.

Other investors that have placed investments in tourist hotels or pensions around Romania are complaining of a low degree of occupancy for hotel and hostels and pensions rooms. They put this situation on the decreasing of the power of consumption and the rising of unemployment rate in Romania due to economic crisis influenced conditions.

However, there are some places that have a degree of occupancy higher than the average in Romania, around the whole year in Romania.

These are usually situated in Romanian Mountains Areas (mountain resorts) or historical places with medieval resonance constructions (castles, fortifications, palaces) in which are organized reenactment activities as medieval festivals at Bran Castle, Sinaia Palace, Sighisoara Medieval Town city, Râșnov Castle and fortifications, Alba Iulia Palace and fortifications, Hunedoara Castle. But these examples of good practices are very few comparing with the high potential of using the Romanian history and heritage to rise the attractiveness of many places in Romania.

It is true, to reach the objective of rising the attractiveness of places, sites, cities, hotels and pensions in Romania, an investment effort has to be done and a coherent strategy has to be settled.

That effort should take into consideration the valorisation of ancient recipes for food and drinks, ancient clothing, old traditional habits, weapons, armours and military facts, ancient sports from antiquity, till modern times in such a way to be transformed in attractiveness factors for tourism activities.

This way, many places from Romania could become attractive if Romanian heritage is used.

For example a future tourist could have the possibility to choose between spending the time in places with medieval reenactment activities as the Castle of Bran or Sighisoara Medieval Town or to enter in the simulated conditions time through gastronomy, clothing and facts of arms of the Cuman migration in Oltenia and Walachia Regions in the XIIth century or tartar and ottoman invasion in Moldavia or Dobrogea Regions in the XIV-XVI century.

If good projects for reenactment activities will be settled and developed many regions from Romania could have the opportunity to develop due to the appearance of small and medium businesses related to tourism and the fabrication of historical replicas for ancient clothing manufacturing or historical replicas souvenirs. Local restaurants or fast foods that could use ancient recipes will contribute to the creation of attractiveness factors

Project Management will be used for reenactment developing projects in order to create the factors of attractiveness.

3. LITERATURE REVIEW

Historical attractiveness based tourism is analysed in research works by many scholars from research domains as economy of tourism, management, marketing, sociology, history, consumer psychology.

Iorgulescu et al. (2011) in the paper Considerations regarding the valuation and Valorization of Cultural Heritage underlines the importance of using the valuations methods as Hedonic Pricing Method, Contingent valuation method, Travel Cost Method in the process to establish the value for historical places and cultural heritage. They are making an accurate analyze of research works made by various authors about the subject of this particular case of methods of valorization and valuation. Peacock (1997) define heritage goods as being "an intangible service which leads to the rise of advantages, benefits, services ,utilities, wealth fare for consumers in which the historic buildings and art goods are considered inputs heritage patrimony".

An international standard for historical property valuation purposes IVSC 230 Annex Historical Property Valuation was published in 2011 by the IVSC (International Valuation Standard Council)

mentions the fact that is important to value the historical heritage property based on the following considerations:

- Historical property historical, architectural and/or cultural importance,
- Legally or statutory
- Restrictions and limitations on the historical property using or transmitting,
- Public using and access obligation for historical property owners.

The classification of heritage goods

Following the UNESCO classification of cultural heritage and the IVS 230 Annex for Historical properties valuation there are three classes of historical assets:

- Monuments including architecture works, inscriptions, shelters in caves, paintings, sculptures,
- Historical buildings as palaces, castles, fortifications, heritage housing, churches, cathedrals,
- Historical sites

Other classification is:

1. Buildings with patrimony value (cathedrals, churches, architectural - historical value buildings), castles, fortifications, viaducts, work-of art historical constructions,
2. Historical urban centers,
3. Parks, pavilions, battlefield sites,
4. Historical monuments (statues, monuments, sculptures, archiologial sites etc.)
5. Art goods (icons, paintings, collections of stamps, coins, toys, jewellery, manuscripts, old books), historical weaponry.

The proposed methods of valuation according to IVS 230 Annex Historical Property Valuation are the market value approach, income approach, cost approach in the conjunction with the restriction of restoration and maintenance costs, preservation and conservation limitations.

However, the IVS 230 annex put the value of heritage assets considered ruins due to their physical state in balance with their ability of generating incomes. The standard doesn't relate the value with the possibility to create attractiveness factors based on the historical site notoriety.

Guha (2009) analyze in a research paper called Motivational Push Factors for visiting reenactment sites the importance of knowing the intimate reasons of the people to visit historical places

Guha (2009) propose the correlation analyze of Push Factors as Relaxation, Education, Escape from monotony, spending the time with the family, self exploration, nostalgia, strengthening relationship and novelty to obtain information about the motivation for tourists to participate at reenactment activities. Research cases about reenactment sites and activities in USA are presented in the paper as examples of good practices.

Cook (2004) analyzes the use and abuse of historical reenactment. The author point of view show a certain concern about the overusing of historical reenactment as a TV show, but he doesn't correlate reenactment with the tourism development

A general information site, Wikipedia, shows the countries that encourage reenactment activities to build tourism attractiveness factors in their regions. These countries are: Australia, Canada, Germany, Sweden, United Kingdom, United States of America, Poland, Russian Federation.

Principal activities for historical reenactment activities are reenactment fairs (antiquity, medieval fair, Renaissance fair etc.), Tournament, Old sports, Battles or combat reenactment, living history inductions. These activities are generating at their turn activities for small and medium enterprises (SMEs) specialized in tourism, small production and manufacturing of historical clothing, weaponry, historical inns and restaurants offering food specialties and drinks based on old recipes.

There are also open air and living museum in many countries including Romania in which tourists are invited to see housing, palaces, castles, ancient fortifications and people dressed in historical clothing or to assist at shows that imagine the ancient way of life and habits.

4. RESEARCH METHODOLOGY

To ask the question how the reenactment activities could impulse tourism activities in Romania and in this way to rise the degree of occupation of hotels and pensions is to consider methods of valuation of the impact of the creation of attractiveness factors in such places.

It is to consider a proposal for a National Strategy for Romanian Reenactment Tourism Development across the whole countries. The potential of using history facts and acts and the proximity of historical heritage sites is big enough.

In order to show the potential of every historical region of Romania (Muntenia - Old Walachia, Oltenia, Transylvania, Moldavia, Banat, Dobrogea) a list of principal places with reenactment potential from each mentioned region should be displayed.

For example: The vicinity of the antique Dacian fortification of Sarmizegetuza Regia, historical monument from UNESCO patrimony after a proper restoration could have a good impact on local tourism attractiveness trough reenactment activities

Places as Brasov, Sighisoara, Rasnov, Hunedoara have already get a good will for reenactment activities of the middle ages.

It is interesting to foresee places from Oltenia, Walachia, Moldavia or Dobrodzea getting the goodwill for reenactment activities fairs and combat simulations of the antiquity middle age from Greek and roman conquest from antiquity till the period of migratory invasions of cumans, pecinegs or tartars from the 13th century or ottoman invasion in the 14-16 th century.

In order to rise the degree of attractiveness for reenactment activities in places that have not a proper image due to the list of items should be taken into consideration as:

1. The putting into value of the legends of the places
2. The recreation of old clothing and food recipes according to the items from the times that reenactment activities wants to simulate
3. The collection of models of weaponry replicas from antiquity or middle age,
4. The encouragement small production for reenactment activities to create items for reenactment
5. The development of local industries of souvenirs,
6. Organization of festivals and fairs in the re-enactment

The research considers the following methods for the valuation of the potential for reenactment are:

1. The contingent value method
2. The travel cost method
3. Hedonic Price Method.

The contingent value method takes into consideration the uniqueness and scarcity of heritage goods. It assumes that taxes and fares are necessary for establishing the costs of rehabilitation for such goods.

The travel cost method put into value the financial effort of the tourists to reach to reenactment areas and to have benefits for health and recreation. The cost of the supplying effort is also considered.

Hedonic Price Method is based on the assumptions of WTP (willing to pay) and WTA (willing to accept) for the existence of heritage goods and re enactment areas for various reenactment tourism activities (old sports, old gastronomy, combat actions recreations, living history).

A table to benchmark the impact of such projects is presented (Table 1).

Table 1. The importance of heritage goods

The importance of heritage goods	International		National		Local	
	Variant 1	Variant 2	Variant 1	Variant 2	Variant 1	Variant 2
Project Variant						
Types of impact						
Negativ	Traffic, pollution	Heritage building affected or destroyed by tourists activities or actions	Traffic, pollution	Heritage building affected or destroyed by tourists activities or actions	Traffic, pollution	Heritage building affected or destroyed by tourists activities or actions
Positiv	cultural, historical	cultural, historical,	cultural, historical	cultural, historical,	cultural, historical	cultural, historical
Investments in reenactment sites Costs for restoration of historical buildings and sites preparation						
Number of tourists before the rehabilitation projects						
Number of tourists after the rehabilitation projects						
Forecasted incomes from reenactment and historical tourism activities						
Direct benefits- profit						
Indirect benefits from collateral services as hotel occupation, restaurants and local fast foods services, souvenir local industry development						
Number of personnel employed for the organization of reenactment activities before the rehabilitation and investment projects						
Business turnover from reenactment activities						
Number of employees after the investment projects in historical buildings rehabilitation and reenactment activities						
Estimated income						
Willing to Pay (WTP) for reenactment activities -high, great, medium small, inexistent						
Willing to Accept (WTA) for reenactment activities: -high, great, medium small, inexistent						
Local taxes						
Insurance value						

We shall try to use linear regression for the forecasting of the incomes from reenactment activities. Ciocoiu (2008), Hîncu (2002), Cicea (2008), Dobra (2009), and Cicea et al. (2007), use in their researches econometric models. Following models of these authors, we propose an econometric model to link the attractiveness factors of historical heritage, sites and places with local development by increasing tourism.

The econometric model propose the establishing of a relation between BETA variable that quantify the income from reenactment tourism and the development of the local development due to historical tourism and antique (ancient) souvenir production expressed by four variables:

REENCOST, meaning cost for reenactment activities /consumption for reenactment act
 TO – Turnover from Reenactment activities
 LREV tourism – Local revenue from tourism
 AINC – Available Income

The sample consists of seven observations.

We shall use the regression model:

$$BETA = B_1 + B_2 REENCOST + B_3 TO + B_4 LPIB + B_5 AINC + rv \quad (1)$$

where: $B_i = 1..5$ are regression variables;
 rv is the residual value.

Using statistical model, we obtained the value of regression parameters.

Table 2. ANOVA simulation

<i>Regression Statistics</i>	
Multiple R	0.973589287
R Square	0.977568732
Adjusted R Square	0.865432255
Standard Error	5.457815973
Observations	7

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	4	2255.763587	546.768325	12.48772	0.03771442
Residual	2	65.84543165	35.00411975		
Total	6	2321.306752			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	55.85259783	16.72061634	3.943783967	0.058691	-6.00055698	137.885554
	-2.9		-			
LPIB	38794132	2.321733097	1.652504388	0.240239	-13.8262923	6.15294407
AINC	0.278074932	0.056908957	4.727444049	0.041949	0.02417426	0.51389356
REENCOST	-0.169117572	0.077688589	2.176865011	0.161424	-0.50338482	0.16514968
TO	-0.002384254	0.000911516	2.396184705	0.138803	-0.0061061	0.00173777

RESIDUAL
OUTPUT

<i>Observation</i>	<i>Predicted Y</i>	<i>Residuals</i>	<i>Standard Residuals</i>
1	54.82001361	-4.360017589	1.578956694
2	75.96230368	7.4832963327	1.857125206
3	53.53982466	2.16935534	0.746224184
4	89.04732993	-7.047329571	0.625466352
5	76.18465184	-3.156256872	0.527720543
6	109.5577205	2.5767548603	0.478431203
7	85.743323575	9.8634326229	0.186446977

Source: author

Following the regression equation:

$$\text{INCOME FROM REENACTMENT} = 55.85259783 - 2.938794132 * \text{LPIB} + 0.278074932 * \text{AINC} - 0.169117572 * \text{REENCOST} - 0.0023 * \text{TO} \quad (2)$$

The interpretation of results:

Three of four variables are showing a direct relationship between them as the reenactment cost is opposite to the other variables.

We note that for a single rise of investment costs in reenactment activities the income will rise with 0.2780 percent points.

Parameter interpretation

One single parameter could be valid AINC in which the P value is less than 0.05. In other cases P value is higher than 5 % that we can assume that LPIB, REENCOST, TO are influencing the investments in reenactment activities.

Correlation analysis:

Correlation ratio (Multiple R) is 0.9735. That means that being close to 1 results a strong relationship between AINC and the factors taken into consideration

Determination ratio (R Square = 0.9775) means that more than 97% from the variation of REENCOST is based on variables and about \approx 3% from the influence of residual factors.

5. CONCLUSIONS

Even the model is not a valid one, the influence of reenactment investment costs have a strong influence on income obtained from reenactment activities.

Following models from USA, UK, Germany, Sweden, reenactment activities could be a way for developing various regions from Romania creating factors of attractiveness in tourism, according to their particularities and history. A realistic strategy is needed for those activities and a good project management will lead to financial performances of the investments in heritage properties.

REFERENCES

- Cicea, C., Dobrin, C., & Popa, I. (2007). The Economic Efficiency for the Higher Education System: an econometric model. *The International Journal of Interdisciplinary Social Sciences*, 2(4), 67-78. Retrieved July 10, 2008, from <http://iji.cgpublisher.com/product/pub.88/prod.293>
- Ciociu, C. N. (2008). *Managementul riscului. Modele economico-matematice, instrumente si tehnici*. Bucuresti: Editura ASE.
- Cook, A. (2004). Use and abuse of historical reenactment. Thoughts on recent trends in public history. Retrieved September 10, 2012, from <http://www.york.ac.uk/ipup/projects/reenactment/reviews/cook.html>
- Guha, S. (2009). *Motivational push factors for visiting reenactment sites*. Master thesis 3704. San Jose State University. Retrieved June 4, 2012, from http://scholarworks.sjsu.edu/cgi/viewcontent.cgi?article=4700&context=etd_theses&sei
- Rațiu-Suciu, C. (coordinator), Luban, F., Hîncu, D., & Ene, N. (2007). *Modelare economică*. Bucuresti: Editura ASE.
- Hîncu, D., & Ene, N. (2005). *Metode cantitative pentru administrația publică*. București: Editura Eficon Press.
- Hîncu, D., & Ene, N. (2003). *Metode și tehnici cantitative pentru administrația publică*. București: Editura Lumina Lex.
- Hîncu, D. (2002). *Models for founding decisions*. București: Editura ASE.
- Iorgulescu, F., Alexandru, F., Crețan, G. C, Kagitci, M., & Iacob, M. (2011). *Paper Considerations regarding the valuation and Valorization of Cultural Heritage*
- Peacock, A. (1997). *A Future for the Past: the Political Economy of Heritage*, in Towse, R. (ed.). (1997). *Cultural Economics: the Arts, the Heritage and the Media Industries*. US: Edward Elgar Pub.
- Peacock, A. (ed.) (1998). *Does the past have a future? The political economy of heritage*. London: Institute of Economics.
- IVSC 2011 International Valuation Standards IVS 230. *The valuation of historical property Annex*.