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# The Importance of Seasonality in The Activation of Tourist Services and Its Impact On the Development of the Tourism Industry

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# Abstract

Seasonal fluctuations are present in all spheres of human activity and have a significant impact on the development of socio-economic processes in general. The sensitivity of tourism to the seasonal factor is determined by the presence of a number of objective factors: from the climatic characteristics of the routes to the cyclical nature of some social processes. In addition, the characteristics of the seasonality factor in tourism require a more detailed consideration. In the article we can see the role of seasonality in the activation of tourist services in the socio-economic development of the country and its impact on the development of the tourism industry.

**Keywords:** seasonality, tourism product, seasonality opportunities, seasonality of demand,

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#### 1.1. Introduction

A special place among the factors influencing the development of tourism is occupied by seasonality, which acts as the most important specific problem.

Seasonality is the property of tourist flows to concentrate in certain places for a short period of time. From an economic point of view, it represents repeated fluctuations in demand with alternating peaks and dips [1].

The negative effects of seasonal demand unevenness require the study of this phenomenon and the adoption of organizational, economic and social measures to smooth out seasonal peaks and declines in tourism. To this end, tourism organizations and enterprises practice seasonal price differentiation (increased prices in high season, moderate in off-season and lowered in "off-season"; the difference in hotel rates depending on the season can reach 50%), incentives development of types of tourism that are not subject to seasonal fluctuations (for example, business, congress, event, etc.).

Smoothing seasonality in tourism gives a great economic effect, allowing you to increase the life of the material and technical base, increase the degree of use of staff during the year, and increase revenue from tourism.

The purpose of the article is to consider what seasonality is, what types of seasonality are, how to determine how a business is prone to seasonality, how to respond to seasonal recessions, and which methods of adjusting seasonal sales recessions are more effective in various situations.

#### 1.2 Material and Method.

With seasonality or seasonal fluctuations, they mean that the annual-scale dynamics of socio-economic events are stable or low. Their reasons are product delivery characteristics, consumer demand, changes in costs due to changes in climatic conditions at different times of the period under consideration, and so on. In other words, seasonality refers to the changing dynamics of supply and demand throughout the year and constantly recurring.

Tourism today is a symbol of the formation of civilization, a means of understanding the world, a way to raise the cultural level and restore the health of tourists. Based on the fact that tourism is a sector of the economy, it is impossible to implement without including basic concepts such as tourism demand and tourist supply, which in turn is important in understanding tourism as an economic sector [2].

So, for the beginning we will define: seasonality - persistent (from year to year) povtoryayushchayasya, characteristic for this area cyclical tourist activity, associated with a change in the conditions of recreation.

Seasonal fluctuations in supply and demand over the course of a year can be seen, for example [3]:

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Figure 1. Sales volume of tourism products for 1 year [3].

From the following graph, the volume of sales of tourism products for 3 years shows seasonal fluctuations [3]:



Figure 2. Sales volume of tourism products for 3 years [3].

Seasonality is a very complex phenomenon. Often its consequences are contradictory. Often, the emergence of a tourism product in the market, especially in the summer, leads to seasonal fluctuations and high prices. This is in line with the seasonal increase in demand. However, many travel companies now have a lot of travel programs and itineraries that keep them in demand throughout the year. This has a smoothing effect on seasonal changes. But



anyway, you can often observe early spring as a "dead" season. Thus, in many respects, seasonality is a manifestation of the market mechanism, the balance of supply and demand.

Seasonality in the modern interpretation is presented in the form of dynamic oscillatory processes that determine the periods of growth and decline of various kinds of economic phenomena and processes.

Among all industries, tourism is most clearly affected by the seasonality factor, since it directly depends on periodic changes in climatic conditions during the calendar year.

The tour operator, as an active participant in the tourism market and the main producer of tourism products, must take into account the fact that the possibilities of production and consumption within certain tourist destinations are limited by seasonal climatic conditions. Moreover, such restrictions are characterized by a number of features [4]:

- the existence of the "tourist season", determined by the greatest activity of consumer demand for various types of tourism product;

- tourist destinations may have several tourist seasons;

-seasonal fluctuations can transform in time depending on the types of tourism offered by the tour operator (or destination);

-the degree of seasonal fluctuations depends not only on the climatic conditions of the tourist destination, but also on its actual capabilities, both current and potential.

The degree of tourist activity is also reflected in the structural classification, which reflects its seasonal specificity [5]:

1. Peak activity – time period, which is the most favorable from the point of view of climatic and seasonal factors for the organization of tourist trips. Depending on the type of tourism, the peak may occur at different times of the year (recreational holidays - summer, ski holidays - winter);

2. High activity –is determined by the largest comprehensive tourism activity that is not associated with certain tourist destinations or types of tourism. It is determined by the temporary increase in tariffs for various tourist products (international events, holidays, etc.);

3. Low activity – time period, which is determined by the lowest demand for tourist resources based on current factors. It is characterized by the lowest tariffs for tourism products, as well as a large number of discounts;

4. Dead activity – corresponds to the definition of a dead season. It is determined by the impossibility of tourist destinations to conduct tourist activities due to objective reasons (climatic, political, etc.).

Seasonality in the travel industry is determined by a number of factors:

- natural and climatic;
- economic;
- social (free time);
- demographic;
- psychological;
- material and technical;
- technological.



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1.	Natural -	Climate resilience
	climatic	The existence of natural hazard
		Water availability
2.	Geographic factors	Destination position relative to major tour operators
		Finding Destination on Important Transit Routes
		Destination location relative to hot spotsпланеты
		Destination location relative to competitors
		Economic
3.	Anthropogenic	Social
	factors	Demographic
		Psychological
		Technological
		Material and technical

#### Table 1. The determining factors of seasonality in the tourism industry

In general terms, there are three main groups of factors of the resulting impact on the sales volume of the tour product produced by the tour operator: external, internal, consumer [5].

External factors include the following factors:

Seasonality

-economic variability;

-demographic and social variability;

-condition of information and transport systems.

The following factors are internal factors:

-advertising;

-promotional;

-reputation;

-qualification of staff.

The following factors belong to the consumer factor:

-age;

-education;

-income;

-marital status;

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-health;

-Availability of free time.

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External factors are determined by the impact of the environment of the tour operator through its interaction with other market participants at the local, national and international levels, as well as the existence of objective conditions for conducting tour operator activities related to climatic, political, economic and other features.

Internal factors are characterized by the in-house potential of the tour operator, which in fact is reflected in its production capabilities in relation to the fact. Thus, it is internal factors that are primarily of interest to minimize costs and increase sales.

Consumer factors reflect actual personal characteristics and preferences on which the tour operator should rely in the process of planning the creation and implementation of a tourist product.

Evaluating each of the groups, we can also talk about the possibility of dividing the factors into manageable (factors that can be leveled or minimized in the process of tour operator activity) and spontaneous (independent of the tour operator).

Seasonality refers to external elemental factors, in the sense that it is not determined by the specifics of the tour operator, and cannot be subject to a formal management system. It is formal, since spontaneous does not mean "not controlled." Seasonality, like any of the elemental factors, should be attributed to the strategic management system, where they will receive the necessary assessment and will be taken into account when forming the tour operator's strategy.

Seasonality in tourism is also objectively determined by the existence of a number of factors that directly affect it.

Based on the proposed reasoning, we can conclude that seasonality, being one of the main features of a tourist product in the process of its formation, can be assessed as one of the dominant factors in the tourism industry as a whole.

It should be noted that such a factor assessment is typical for certain types of tourism, which are just prone to seasonality. Seasonality of demand also depends on the type of tourism and the territory of its development. For example, medical and educational tourism is considered the least susceptible to seasonal fluctuations in demand, which cannot be said about beach and ski. Other "off-season" types of tourism include business, sightseeing, and pilgrimage. For youth and children tourism, a season of holidays and vacations is characteristic. Demand for educational tourism is stable throughout the year, but a slight increase in demand is typical for summer and spring. Perhaps the only types of tourism, the seasonality of which is limited by specific dates, are hunting and fishing, since the time of capture (shooting) is clearly regulated by the government.

Improving tourism refers primarily to off-season tourism. Health tourism is the most widespread and popular medical tourism destination. In the XX century, a whole resort industry sprang up in the world, covering almost all countries and continents. On the basis of the traditional climatic, balneological, and mud spas, new forms of healing appeared - SPA, wellness, fitness. Check-up programs are often included in the list of services provided by modern spa facilities.

The most widespread and popular resorts are those that offer several therapeutic factors, especially SPA resorts or SPA hotels. The latter can be located not only in resort areas, but also in large megacities, and also provide health and relaxation services.

European centers of health tourism are widely known in the world. The Czech Republic leads in the number of foreign tourists arriving for spa treatment. Every year, 50,000 people from more than 70 countries visit it. The famous Czech health resort of Karlovy Vary



welcomes medical tourists from all five continents. This balneological resort enjoys special love among residents of the CIS countries [6].

Health tourism is one of the most promising areas in the tourism industry. The basis of its popularity in the 21st century is the victory of the preventive trend in modern medicine, as well as the fashion for a healthy body and healthy mind.

Another off-season type of tourism is sightseeing. Cognitive tourism, aimed at familiarizing tourists with the monuments of architecture, archeology, history, culture, nature, traditions and customs of the country. It is also not seasonally prone, as architectural monuments can be watched at any time of the year, regardless of natural and recreational conditions.

Religious tourism also refers to off-season types of tourism. Religious tourism should be understood as activities related to the provision of services and meeting the needs of tourists traveling to holy places and religious centers outside their usual environment. This type of tourism also does not depend on seasonality, as pilgrims can travel at any time of the year. Educational tourism is another type of tourism related to off-season [7].

Nº	Types of tourism	Demand estimate , %
1.	Recreational	41
2.	Sports	21
3.	Informative	3
4.	Religious	6
5.	Business	11
6.	Educational	9
7.	Ecological	5
8.	Family	4

Table 2. Structural assessment of demand for various types of tourism [8]

## Figure 3.Structural assessment of demand for various types of tourism[8]





The structural assessment of consumer demand for tourism products presented in Figure 3 determines the current dominance of recreational tourism over other types. It is important to understand the fact that each type of tourism is not uniformly affected by the seasonality factor, which makes it necessary to justify the study of the impact of seasonality on the subsequent assessment of the quality of the tourism product.

To correlate the influence of this factor by type of tourism, we take enlarged groups of "consumer" and "internal" factors, as well as a detailed grouping of "external" factors and analyze the data obtained. Analyzing the above data, we can conclude that the main resulting dominants in the structure of the factor analysis of types of tourism are precisely seasonality, as well as consumer preferences. Aggregating the current data on the structural classification of types of tourism and factors affecting the sale of tourism products within them, we conclude that seasonality is one of the most important factors that have a net effect on the tourism industry as a whole.

In its simplest form, seasonality in the process of the tour operator's activity is determined by the change in the volume of sales of a particular tour product during the year [9]. This is a fairly simple interpretation that allows you to perform an elementary analysis of seasonal fluctuations and make appropriate adjustments.

In reality, seasonality in the conditions of the tourist market segment is twocomponent in nature and includes the seasonality of the producer (opportunities) and the seasonality of the consumer (demand). Given the constant variability of the supply and demand indicators in the market, it should be taken into account that the deep seasonality curve has an upward or downtrend in the analyzed period. At the same time, changes in the factors influencing these trends will differ for the producer and consumer, not only in essence, but also in the strength of the impact.

Within the blue season, a 2-3-week dead season is distinguished, characterized by an almost complete absence of influx of tourists to the destination and turning around for many tourism downtimes and losses for most tourism enterprises and manufacturers of tourism services in countries or areas specializing in tourism. And only a competent policy of travel agencies can attract tourists to the destination during the dead season.

#### **1.3. Conclusion.**

Seasonality causes serious problems in servicing tourists. In the "hot season" there may be difficulties with transport, accommodation, catering, excursions for numerous tourists. The negative consequences of seasonality can also be attributed to the fact that during most of the year the bulk of hotel beds almost remain unclaimed. To attract tourists out of season or to develop another season - winter - companies are forced to pursue a flexible pricing policy or to develop a new tourist product - winter travel. The expansion of the tourist season is also facilitated by the activation of business tourism, expressed in the holding of symposia, international exhibitions, conferences, meetings, etc. As a rule, all these events are held in winter, spring or autumn [10].

At the same time, growth trends in opportunities and demand are growing nonuniformly with the seasons. At the present stage of the tourism market, the demand for tourism products is growing exponentially. This is due to the factors described in the table, among which the growth of income is paramount, which leads to an increase in consumer desire for the opportunity to save. People are less confident in their future and are willing to spend money on travel and vacation. At that very moment, the ability of an individual tour operator to fully meet the growing demand for tourism products is progressing to a lesser



extent. The market is oversaturated by participants who, competing with each other, do not dramatically increase the level of sales volatility. Naturally, large players are becoming in a more advantageous position, who have the opportunity in advance to conclude agreements with contractors and draw up a sufficient number of tourist packages for the season. But in this case, they run the risk of not getting profit, in case the tourist product is not fully realized. In this regard, there is a need, on the one hand, for a clear planning of the efficient use of tourism resources to maintain the stability of the company, as well as to improve the quality of manufactured products, which will increase its competitiveness in the market [11].

The study of seasonality allows you to influence the unevenness of demand in tourism. Currently, the tourism market of economically developed countries shows a tendency to reduce seasonal unevenness in tourism services due to the rapid development of supply relative to demand.

To attract tourists during the off-season or winter season, government organizations and travel agencies carry out a number of promotional activities. To increase the tourist season, and then to smooth out seasonality, in many countries tourist routes are promoted during off-season through advertising, and benefits are established for this period. Tourist advertising shows the benefits of a winter holiday in the mountains and reveals opportunities for winter sports, promotes various festivals and exhibitions that are held in the autumn, winter and spring months. Off-season travelers are provided with discounts in the form of discounts on fares and travel services.

The seasonality of demand is also influenced by factors of a psychological nature (traditions, imitation, fashion). The peaks and falls of tourist activity can be largely explained by the conservatism of most tourists, i.e. an established opinion that summer is the most favorable time for holidays.

To smooth out seasonal fluctuations in the weakest months, it is recommended to use sales promotion methods:

- 1. Free distribution of advertising booklets; commercial offer.
- 2. Providing discounts and bonuses for a certain purchase volume and its regularity.
- 3. Preliminary conclusion of contracts with travel companies on more favorable terms.
- 4. Reducing the price of policies in the months of reduced demand.
- 5. Sale of services on credit (with payment security).
- 6. Development and presentation of new service portfolios [12].

Another important point of overcoming seasonality is a well-thought-out pricing policy and customer-oriented approach [13] This includes special seasonal offers, discounts, bonuses, etc. In a number of regions, such a price level is established that would ensure good demand and the corresponding profitability of production.

It is obvious that the flow of tourists during the calendar year cannot be uniform, it is subject to seasonal fluctuations. To reduce the degree of uncertainty and risk, a tourism company should have reliable, voluminous and timely information that is provided by marketing research. Competent, professional marketing research allows a tourism company to objectively evaluate its market opportunities and choose those areas of activity where achieving the set goals becomes possible with a minimum degree of risk and with more certainty.

The study of seasonality in tourism allows us to determine the degree of influence of natural and climatic conditions on the formation of the tour flow, to establish the duration of the tourist season, to reveal the factors that determine the seasonality in tourism. Using this information, it is possible to develop a set of measures to reduce seasonal unevenness in



servicing tourists, to determine the economic consequences of seasonality at the level of the region and the tourist company. The time factor is very important to consider when planning promotion work, since it is better to start them several months before the onset of the "high" season.

Thus, we found that the factor of seasonality is a very significant phenomenon in the field of tourism, which should always be taken into account by a competent manager in work.

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## **Annextures:**

**Table 5.** The resulting factors affecting the change in seasonality of consumer demand and production opportunities

На потребителя	На туроператора
Уровень доходов, сбережений	Величина доступных финансовых ресурсов
Диверсификация видов и направлений туризма	Рентабельность туристского продукта
Диверсификации производителей	Уровень конкуренции (наличие
туристского продукта	аналоговых продуктов)
Маркетинг, реклама, PR	Диверсификация производителей товаров, работ и услуг
	Маркетинг, реклама, PR
	Имидж туропертора

Fig. 4. Seasonality functions of opportunities and demand in the process of the tour operator





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