Tourism destination development by hotel industry investment

Developments are needed in each phase of the life cycle of the areas of tourism. Without them it would not be possible for any areas, even with tourist attractions, to become a really successful tourism destination. The development of basic infrastructure and tourism superstructure, including hotel investments, is of high importance, because the increase of the number of tourists, overnight stays and income can only be ensured by them. Even in the phase of stagnation, investment in hotels is essential in order to maintain and possibly improve the quality of services, rather than increasing capacity. Therefore, the main objective is to avoid decline. This paper introduces different features of investments in the hotel industry through the analysis of the life cycle model of tourism reception areas and hotel real estate development, using international and national examples.

INTRODUCTION

There have been overlapping views in the specialist literature about the topics of tourism development, the management and development of tourism destinations, tourism planning, sustainable tourism, and real estate development in tourism. Irrespective of the way of the approach, the main target is that a tourism destination develops in a sustainable way and provides for the population of the territory through the possibilities provided by tourism.

The onset of the related specialist literature dates back very far, to the time when the spatiality of tourism and its economic geographical concerns were analysed with PRIA geographical approach. Bowman had already analysed the demand and supply of tourism in 1909. In one of his essays, Meinecke (1929) dealt with the environmental effects of intensive tourism, while McMurry (1930) and Joerg (1935) wrote an essay on the effects of the area use of tourism and their consequences.[2]

[1] Széchenyi István University, Kautz Gyula Faculty of Economics, Tourism Department (albert.toth.attila@sze.hu).
Miege (1933) and Poser (1939) wrote about the development of the reception areas of tourism. Gilbert (1939) was examining the development opportunities of seaside areas, baths and spa resorts in England. Gilbert described the discovery of the tourism areas, the stages of their growth, the change of the population and temporary residents, the size and form of the built-up areas.[3]

Krippendorf et al. (1982) analysed the relation between tourism of the modern times and regional development. The 28 authors analysed the tourism of the Swiss highland and borderland in a volume of essays and studies containing 20 studies and they explored the range of subjects of economic and social development realised by the tourism developments. Swiss tourism, the Swiss hotel industry and the international hotel schools have always been considered as an etalon in Europe, but they became well-known all over the world, as well as the Swiss tourism experts, who have greatly contributed to the continuously growing specialist literature.[4]

According to Gunn (1994), the common existence of 12 main elements is needed for the successful regional tourism development, which does not even provide any assurance on the successful development.[5] However, the lack of any of the elements reduces the possibility of success. The elements are as follows: natural resources, cultural circumstances, the local acceptance of tourism, accessibility, existence of services, suitable market, favourable improvement possibilities, business-friendly self-government environment, available areas of developments, existence of enterprises and experts, suitable labour force, and the possibility of financial funding. Mundruczó and Stone (1996) mentioned the economic restructuring and the regional development among the most important economic effects of tourism. They emphasize that the development of the infrastructure and the foundation of new enterprises are expected on a given tourism reception area, which can favourably influence employment, revenues and tax incomes. With regards to the hotels, they emphasize that they can signify an attractive investment possibility for foreign investors.[6]

TOURISM AREA LIFE CYCLE ANALYSIS

One of the most important and most frequently cited models is the Tourism Area Life Cycle model which is linked with the name of Butler (1980).[7] He has adapted

the concept of the product life cycle curve to the life cycle model of tourism destinations which is well known as the TALC model. The TALC model can be used as an applied development model in the preparation of the marketing strategy and the development plans of any destinations as well as a means of forecasting.

However, according to Cooper (1994), the usefulness of the model depends on the features of the destination to a great extent. The form of the curve and the length of the cycles can show a significant difference between the areas because its general application in planning is less successful than presumed previously. Cooper’s findings are supported if we make a comparison between the forms of the life cycle curve of a holiday resort and a city as tourism destinations.[8]

Zhang and Xiao’s analysis (2014) on a Chinese non-seaside territory shows that the development was the biggest and the curve was the steepest when the developments of the hotels (new hotels and renovation of the old ones) took place simultaneously with other real estate developments.[9] Romao – Guerreiro – Rodrigues (2013) analysed the development of the tourism of South-Western Europe in a six-year period between 2003 and 2008, also with the TALC model through assessing 67 NUTS-2 regions. The research reveals that numerous seaside regions in Spain, France and Italy, too, where the “3 S” “Sun, Sand, See” still means the main attraction for the tourists, are in stagnant phase, while numerous areas far away from the seaside are in the phase of development and exploration. This research is also built on the accommodation capacities and first of all on the turnover data, with assessing area-proportional and population-proportional index-numbers.[10]

The use of the TALC model and the Real Estate Market Value Cycle Model can be combined and they are used by the developers for risk analysis primarily. However the models are also used by companies dealing with real estate renting, value assessment as well as service providing.[11] We can define the life cycle curve of a tourism destination on the basis of the number of visitors and the overnight stays in hotels and other accommodations. This raises the role of the accommodations because of the relatively exact and reliable statistics that can be used as a zero point originate from here. However, it is more difficult to measure the other economic and social effects, and it is more complicated to detect how much the tourists spend as well as the local tax incomes, the rate of employment, the value of the real estates, the size of the local crime generated by tourism, and the common denominator of other numerous effects in a life cycle curve.

In the phase of exploration, the area is hardly known. Only a few people arrive, and not regularly. The area can still be considered undeveloped as far as its accessibility and infrastructural conditions are concerned. It is not possible to find those tourism products and attractions that could mean suitable attractive forces for potential tourists or they are still less known.

In the phase of involvement, the number of tourists has already been increasing. However, maybe only seasonally, more and more local individuals and enterprises have been trying to make their living out of the services provided for the tourists. Beside the suitable infrastructure, the institutions specialised in the reception of tourists. It is already being built out continuously.

In the phase of development, the number of tourists is increasing steadily. The accommodations have already gone through, not only a quantitative, but also a qualitative development due to the appearance of new units of a higher quality. During that time, it has been not only the local population that played a dominant role in the development, but the incoming enterprises, too, which then took over the main role in the hope of a promising profit. International and multinational companies can appear, for example hotel chains, restaurants, travel agencies, rented car companies, etc. Tourism has already become a significant business activity. However, many times they are unable to provide the necessary workforce from the local and neighbouring population. For this reason, guest workers can appear as seasonal or temporary workers. These factors can already influence the everyday life of the permanent residents very significantly. The destination becomes a well-developed tourism receiver area, moreover, tourism can become one of the most important economic factors in the life of the region. [12]

Table 1 contains the stages of the life cycle of the destination and the relations with the accommodations and hotels of the territory.

<table>
<thead>
<tr>
<th>Impacts</th>
<th>Stages of Tourist Area Life Cycle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visitors Guest nights</td>
<td>Exploration</td>
</tr>
<tr>
<td></td>
<td>Minimal</td>
</tr>
<tr>
<td>Income of tourism</td>
<td>Negligible</td>
</tr>
<tr>
<td>Investments</td>
<td>Low</td>
</tr>
</tbody>
</table>

In the phase of consolidation, the growth of the number of tourists and the new enterprises declines, but the development is still unbroken, just in a slower pace. In the phase of stagnation, the destination has already reached the peak of its development possibility and loading capacity, one cannot calculate with further significant growth any more. If everything turns out well, this phase can last for a very long time, too, and if it becomes stable on a high level, tourism can be dominant concerning the destination in the long run as well.

The decline stage is the last phase of the life cycle curve. In this case, the number of tourists decreases, and the enterprises can achieve less and less suitable economic results. The competitor destinations win over the guests; the service providers are forced to reduce their prices adjusting them to the new situation. As a result, after a while, the activity becomes so unprofitable that it does not attract new investors any more. After the decline stage, if it occurs, there are two possible cases. The worse version is that the destination declines step by step and after such a period it will not be a particularly popular destination for the tourists any more. The luckier version is when it can renew itself and a phase of rejuvenation starts after a temporary decline. The rejuvenation can usually be supported artificially, with the production of new attractions.

It is necessary to apply all the exact and available statistical data in the analysis of the life cycle curve of the tourism destinations, of which one basic pillar is the development of the accommodation statistics, first of all the number of guests and overnight stays.

With the capacity data, the number of guests and overnight stays, and then with the longitudinal analysis of the turnover data based on these, one can sketch the life cycle curve of the destination.

Out of the capacity increase (the number of the hotels and lettable rooms), the investors’ willingness can also be seen, if the international investors have already emerged beside the domestic small and medium enterprises. The foreign investors
entering into the market means a significant improvement in the life cycle of the destination, too, because the chains of hotels are only interested in the developments through the establishment of high quality hotels of medium or large size, if they can plan in the long run and they assess the destination as a promising area.

PROPERTY DEVELOPMENT IN THE HOTEL INDUSTRY

A hotel is essentially a property investment which differs from other property investments due to its commercial use. Leonard says that three important differences can be detected.[13] The hotels need a very high level of labour force as compared to other properties with other types of commercial use. The hotels have to sell their lettable rooms every day, which means a large part of the territory of the property, while the letting out is not an everyday job for other commercial units. The hotels provide 24-hour services for the guests, while the offices and the shopping centres are available for the customers only for a shorter time, i.e. for a day and their services cannot be used every day.

From the property investments, Rushmore draws attention to the special features of the hotels, which all investors have to pay attention to if they initiate a hotel investment.[14]

In case of a hotel, the equipment and the gear total up about a quarter of the value of the property investment, whilst in a luxury hotel this ratio can also be much higher.[15]

Hotels need well-trained managers, personnel and sales entities with special knowledge. Hotels have huge capacity of rooms, restaurants and other services which have to be continuously sold.[16]

Investment in the hotel properties was more and more popular by the fact that in the 90s the utilisation indicators also increased, which forecasted even the growth of the values of the properties beside the growing stock market prices and the regular disbursement for the shareholders.[17] The investment strategy in the hotel industry is basically determined by the „buy, hold or sell” type of decisions.[18]

Certainly, it is not all the same which side of the Porter model the investor is standing, whether he wants to enter the market by building a new hotel, purchasing an already operating one or he wants to leave the market with selling the hotel and prefers getting the profit from it. The decision of keeping a hotel can have different reasons in the short, medium and long run, too. It is worth keeping a well and successfully managed hotel in the long run but it may be that an undervalued unit in poor working order has to be temporarily kept in a miserable property market in order to reduce the losses and one has to wait for the revival of the property market so that one can reach an advantageous selling price.

An eclectic theory, which was used by Dunning and his partners, analysed the strategy of entering the international market, the business activity of hotel chains crossing the borders, and their expansion.[19]

The theory is built on several theories that has been worked out previously and their combination provides the basis of the eclectic theory of Dunning. One theory is assessing the advantages that originate from the proprietary relation, the other one the advantages of the features of the location, while the third one the advantages of remaining on the national market and internationalisation, too. The eclectic theory, based on the O.L.I. theory (Ownership, Location and Internationalization), considers all three main components as a process and, on the basis of these factors, it decides on whether entering the international market or not, as well as the hotel property investments abroad. The eclectic theory of Dunning can be used best regarding the chains of hotels when they make their decisions on private property investments.[20]

The first component of the O.L.I. theory is assessing the size of the enterprise, the international experiences of the company, the extent of the technological development, and the strategy of branding in connection with the proprietary relation.

The second main component is the location, the selection of which is a multiple-stage decision process. In case of a location which is abroad, the first step is the selection of the country, in which the economic situation of the country, the regulations for the investment, the political, legal and tax conditions, the stability, the business environment, the market competition and the local characters, taking the payback time also into consideration, are assessed.

The third component cannot be a question for the big chains of hotels anymore, because of the international character of tourism; even numerous smaller and


medium-size companies choose to become international on the regional level.[21]

Even two chains of hotels with national centre can provide an example for this: Danubius and Hunguest also own and run hotels abroad. First of all, in the surrounding countries and in some countries neighbouring those.

Lee - Koh - Xiao’s (2014) essay analysed and compared the American hotels and the hotel chains also operating on the international market with the hotels operating only on the American (domestic) market, during the period between 1990 and 2010.[22] According to the assessment, the hotels of the international chains have reached much better financial and operational results than the hotels operating only on the domestic markets. In these hotels, the advantages of belonging to an international chain, the professional knowledge that was collected during the decades and the high level of corporate culture have not only meant advantages in the operation but it could also play a dominant role in the profit maximisation.

HOTEL DEVELOPMENTS IN HUNGARY IN THE TOURISM REGIONS, DATA COLLECTION AND METHODOLOGY

According to my research, over the last few years, the Hungarian hotel industry was facing a significant development before the outbreak of the economic crisis, which was slowed down by the crisis to a certain extent, but the majority of the development ideas were, even with some delays, realised.

The period of the assessment started in 2008, when one could not know yet whether the economic crisis would influence the prevised hotel investments in the future.

I collected and grouped in the breaking down after the tourism regions the planned and prevised investments in the hotel industry in Hungary on the basis of the then available resources (data of Hotel and Restaurant Association of Hungary). The first target of the research was to explore the territorial disproportions of the planned hotel investments across the different regions.

Later, in the years to follow, the assessment of the final capacity data also took place in two steps with the implementation of the investments, the growth of the capacities and the elimination of the distorting effects (alteration of the legal regulations, and of the categories). At first, up until 2012, this took place by extending the period with the necessary investment and construction time until the opening of the hotels, because the implementation of the prevised developments was considered as realistic until this time. In case of the period between 2012 and 2015, I did not analyse the proportion of the implementation of the prevised investments any more. The main reason for this was the postponement

of the investments that could be noticed during the years of the economic crisis, the shifting in time and the abdication of the investments. The other reason is that later, maybe by way of a precaution originating from the experience of the economic crisis, the number of the published, prevised hotel investments were relatively low. At the end of the period surveyed, I assessed the most important tourism, hotel industry index numbers and their effects on the life cycle of the tourism regions on the basis of the realized developments between 2008 and 2015.

ANNOUNCED AND REALISED HOTEL DEVELOPMENTS IN HUNGARY

Examining the effect of the hotel developments on the capacity increase, one can state that from the year of 2008 until 2015, the number of lettable rooms in the Hungarian hotel industry increased by 19 per cent, which is, overall, less than the quantity of the developments that were in progress at the end of 2008 and announced for the period of 2008-2012. Because of the economic crisis, many hotel investments were postponed in time and there were some which were not implemented at all. However, the territorial distribution of the developments had changed significantly as compared to the prevised plans. The regions of the Southern Great Plain and Northern Hungary were the definite winners of the hotel industry investments of the given period, the capacity of hotel rooms increased by 40 per cent, in the latter by 39 per cent during the seven-year period. In the Northern Great Plain region, the extent of the development was spectacular after the year of 2012, and due to this, the capacity of the hotel rooms increased by 30 per cent in the region. Unfortunately, the hotel capacity hardly increased by Lake Balaton, which meant an increase of 2 per cent in total, with less than three hundred new hotel rooms. The number of lettable hotel rooms stagnated by Lake Tisza, moreover, it even decreased a little bit.

From Table 2, one can see that a significant part of the hotel developments, about 44 per cent, were planned into Budapest and the Central Danube tourism region in 2008, from which more than 60 per cent into the capital. The increase of the hotel capacity would have been altogether 47 per cent in the four Transdanubian regions, while in the Budapest and the Central Danube region it would have already reached the proportion of 92 per cent and the increase of the hotel capacity of the four tourism regions in the Eastern part of the country would have been just 8 per cent.

In Table 2, one can see in the column of the fair share and the new developments, too, that the proportion of the planned investments in the Eastern regions was much less than the proportion of the already existing capacity. The territorial distribution of the planned developments shows the preferences of the investors at the time, that the buildings of the new hotels were planned first of all in the capital and its surroundings, and in the Transdanubian region, and less were planned in the Eastern part of the country.
Table 2: Announced Hotel developments in the tourism regions 2008–2012.

<table>
<thead>
<tr>
<th>Tourism regions in Hungary</th>
<th>Room capacity 31st of July, 2008</th>
<th>Fair share</th>
<th>Projected new developments between 2008-2012 (+ new rooms)</th>
<th>Fair share of announced new developments %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budapest and the Central Danube region</td>
<td>17 936</td>
<td>35,4</td>
<td>+ 4926</td>
<td>44,4</td>
</tr>
<tr>
<td>Northern Hungary</td>
<td>3263</td>
<td>6,4</td>
<td>+ 543</td>
<td>4,9</td>
</tr>
<tr>
<td>Northern Great Plain</td>
<td>4105</td>
<td>8,1</td>
<td>+ 150</td>
<td>1,4</td>
</tr>
<tr>
<td>Lake Tisza</td>
<td>452</td>
<td>0,9</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Southern Great Plain</td>
<td>2741</td>
<td>5,4</td>
<td>+ 236</td>
<td>2,1</td>
</tr>
<tr>
<td>Central Transdanubia</td>
<td>1956</td>
<td>3,8</td>
<td>+ 1030</td>
<td>9,3</td>
</tr>
<tr>
<td>Lake Balaton</td>
<td>12 550</td>
<td>24,8</td>
<td>+ 1445</td>
<td>13,0</td>
</tr>
<tr>
<td>Southern Transdanubia</td>
<td>2363</td>
<td>4,7</td>
<td>+ 1212</td>
<td>10,9</td>
</tr>
<tr>
<td>Western Transdanubia</td>
<td>5303</td>
<td>10,5</td>
<td>+ 1552</td>
<td>14,0</td>
</tr>
<tr>
<td>Summary</td>
<td>50 669</td>
<td>100,0</td>
<td>+ 11 094</td>
<td>100,0</td>
</tr>
</tbody>
</table>

Source: Own calculations, on the basis of the issue of the MSZÉSZ and the HCSO statistics.

In case of the realisation of all development ideas and plans, the hotel capacity of the country would have increased by 22 per cent, but in the meantime, as a result of the effects of the economic crisis, a lot of investments were postponed or suspended owing to financial difficulties. Many investors simply gave up the planned investments, foreign developer companies even left Hungary. The investors judged the situation more realistically by the end of 2011, because a significant part of the investments, in the above table, had been realised. Nevertheless, it was welcomed that significant part of the investments had not been planned to Budapest and only to the Transdanubia either, but thanks to the effect of the new Mercedes factory, to Kecskemét and other locations as well. Even at that time, the special big proportion of a planned development, the Euro Vegas hotel with 632 rooms in Bezenye, had already distorted the proportion of the developments, which would have meant more than 5 per cent of the new investments in total. The hotel investment, that has already been uncertain for many years, would have been built in the County Győr-Moson-Sopron, next to the Austrian and Slovakian border, and this would have been the biggest hotel of Hungary. Between 2008 and 2012 the Hungarian hotel room capacity increased by 8019 rooms, to 58214 lettable rooms, which during the period of four years meant an increase in capacity by 22 per cent instead of the 16 per cent on a nationwide level, but in different
proportions per tourism regions, so the market distribution of the capacities also changed to some extent.

Unfortunately, the data of the capacity increase was distorted by the fact that in the meantime, as a result of the change of the legal regulations in 2009, many of the large pensions carried on with the operation as a hotel after the reclassification. The increase of the capacity owing to the reclassification was considerable, because in the meantime the capacity of the pensions decreased by 3108 rooms by the year of 2013 as compared to the year of 2008 and the “units with hotel type” (the hotels and the pensions together) had increased by 4437 rooms.

In the meantime, some hotels with credit problems were closed temporarily or permanently, though the majority were operating continuously, and, however, their owners and operators changed, at best the guests were not affected by it in any way, part of the hotel personnel changed in the hotels concerned.

Having eliminated the distorting effects, the real new hotel developments meant an increase of capacity of about 9 per cent during the four years as compared to the announced development intentions of 22 per cent. Location No. 1 of the realised development was Budapest and the Central Danube region, just half of the increase was realised in the capital and its surroundings.

After the year of 2012, the territorial distribution of the developments changed significantly as compared to the announced plans. (Table 3)

Table 3: Assessment of the realisation of the Hotel development until 31st of July, 2015

<table>
<thead>
<tr>
<th>Tourism regions in Hungary</th>
<th>Room capacity 31st of July, 2015</th>
<th>Fair share %</th>
<th>Changes between 2008-2015 (+ new rooms)</th>
<th>Fair share of changes %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budapest and the Central Danube</td>
<td>21706</td>
<td>36,0</td>
<td>+ 3770</td>
<td>39,1</td>
</tr>
<tr>
<td>Northern Hungary</td>
<td>4505</td>
<td>7,5</td>
<td>+ 1242</td>
<td>12,9</td>
</tr>
<tr>
<td>Northern Great Plain</td>
<td>5337</td>
<td>8,9</td>
<td>+ 1232</td>
<td>12,8</td>
</tr>
<tr>
<td>Lake Tisza</td>
<td>440</td>
<td>0,7</td>
<td>- 12</td>
<td>-0,1</td>
</tr>
<tr>
<td>Southern Great Plain</td>
<td>3829</td>
<td>6,3</td>
<td>+ 1088</td>
<td>11,3</td>
</tr>
<tr>
<td>Central Transdanubia</td>
<td>2544</td>
<td>4,2</td>
<td>+ 588</td>
<td>6,1</td>
</tr>
<tr>
<td>Lake Balaton</td>
<td>12 827</td>
<td>21,3</td>
<td>+ 277</td>
<td>2,9</td>
</tr>
<tr>
<td>Southern Transdanubia</td>
<td>2874</td>
<td>4,8</td>
<td>+ 511</td>
<td>5,3</td>
</tr>
<tr>
<td>Western Transdanubia</td>
<td>6235</td>
<td>10,3</td>
<td>+ 932</td>
<td>9,7</td>
</tr>
<tr>
<td>Summary</td>
<td>60 297</td>
<td>100</td>
<td>+ 9628</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: own calculations, based on HCSO statistics.

Examining the effects of the hotel developments on the increase of capacity, one can state that the number of lettable rooms in the Hungarian hotel industry increased by 19 per cent between 2008 and 2015, which is less in total than the number of the developments being in progress at the end of 2008 and were announced for the period of 2008–2012.
The hotel developments and the already larger capacity benefited the development of the tourism destinations, too. The tourism regions had undergone a significant development as far as the overnight stays, the room prices, the incomes and as far as one of the most important hotel index numbers, the RevPar index was concerned, too.

Table 4: The extent (proportions) of the changes in the hotel industry after the tourism regions, between 2008 and 2015 (2008=100%; 2015=%, results in the table)

<table>
<thead>
<tr>
<th>Tourism regions in Hungary</th>
<th>Hotel room capacity</th>
<th>Guest nights</th>
<th>Room revenue</th>
<th>RevPar*</th>
<th>Life cycle stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budapest and the Central Danube region</td>
<td>121</td>
<td>143</td>
<td>151</td>
<td>127</td>
<td>Development</td>
</tr>
<tr>
<td>Northern Hungary</td>
<td>138</td>
<td>204</td>
<td>227</td>
<td>153</td>
<td>Development</td>
</tr>
<tr>
<td>Northern Great Plain</td>
<td>130</td>
<td>112</td>
<td>138</td>
<td>119</td>
<td>Development</td>
</tr>
<tr>
<td>Lake Tisza</td>
<td>97</td>
<td>119</td>
<td>162</td>
<td>162</td>
<td>Development-Consolidation</td>
</tr>
<tr>
<td>Southern Great Plain</td>
<td>140</td>
<td>165</td>
<td>205</td>
<td>158</td>
<td>Development</td>
</tr>
<tr>
<td>Central Transdanubia</td>
<td>130</td>
<td>169</td>
<td>194</td>
<td>145</td>
<td>Development</td>
</tr>
<tr>
<td>Lake Balaton</td>
<td>102</td>
<td>111</td>
<td>143</td>
<td>137</td>
<td>Development-Consolidation</td>
</tr>
<tr>
<td>Southern Transdanubia</td>
<td>121</td>
<td>144</td>
<td>151</td>
<td>119</td>
<td>Development</td>
</tr>
<tr>
<td>Western Transdanubia</td>
<td>117</td>
<td>134</td>
<td>154</td>
<td>128</td>
<td>Development</td>
</tr>
<tr>
<td>Summary (average)</td>
<td>119</td>
<td>137</td>
<td>156</td>
<td>129</td>
<td>Development</td>
</tr>
</tbody>
</table>

Source: own calculations, based on HCSO statistics.

(*RevPar: Revenue per Available Room)

Analysing the performances of the tourism regions (Table 4) one can state that without taking into account three regions, the other regions were undergoing a significant development during the assessed seven years. As a matter of fact, each region is in the phase of development, but there are big differences between the extents of the developments. From the regions Lake Balaton and Lake Tisza can be considered as an independent tourism destination and, however, each developed in respect of the incomes, the change of the number of the overnight stays and the capacities have changed only slightly. These rather refer to a consolidation, in spite of the fact that there is huge development potential in the two tourism destinations, but more developments would be needed for them. Not only the
increase of the hotel capacity, but the development of the attractions and tourism products, the improvement of the quality of the already existing hotels, better marketing, and the branding of the destinations, too. Lake Balaton and Lake Tisza are the locations of the native tourism primarily, the turnover of which is significantly determined by the tourism stimulating effect of the Széchenyi Recreation Card. The completeness also includes that the proportion of the accommodations of other types is much higher in these regions than in other regions, but the analysis primarily focused on the concerns of the hotel industry. The seasonality and the dependence on the weather also influence the tourism performance of the two regions and even the willingness of the investors in the hotels too. From this point of view, there was a modest change during the assessed years.

Two regions, Northern Hungary and the Southern Great Plains developed to the greatest extent, which at first did not seem to be realistic on the basis of the plans of 2008, but luckily the trends changed after the crisis and the investor sentiment, too.

CONCLUSION

The development of the hotel industry and the accommodations are in direct connection with the general development and popularity of the tourism areas. The quantity and the quality of the capacity supply influence the reservation indexes, the potential of the hotels to generate profit and their profitability. The capacity and the number of the overnight stays influence the personnel management of the hotels, which influences the rate of employment, first of all the labour force market position of the surrounding areas. If there is an oversupply from the accommodations, it will affect the operational results unfavourably and it could force the lower-selling hotels and other accommodations to reduce their prices. The negative price spiral could generate an uncertainty on the market and finally it could stop the development because further investments may be postponed or withdrawn.

It is important that each expert who deals with tourism development pays attention to the life cycle curve of the destinations and it is important to recognize in which stage the tourism destination is right now. The developments have to be planned accordingly. For example, in the declining stage it is already risky to execute big investments. However, this is not set in stone and it is not impossible that this results in the fact that the destination enters a new stage of development or reborns.

The regional analysis of Hungary has also brought very interesting results. On the basis of the first summaries, the majority of the developments were planned to Budapest and its surroundings, but luckily, it changed in the course of time and the trends changed in the second part of the examined seven years. Northern Hungary, the Southern Great Plains and the Northern Great Plains developed well in spite of the earlier development forecasts. It is advantageous that the extent of
the hotel investments was even better in the Eastern part of the country as well and the results of the tourism worked well, too.

Nowadays, a hotel investment is more and more considered as a special property investment, therefore the property market greatly influences the strategies of the investors, especially on the international markets, by the chains of hotels. Several developers have left Hungary because of the economic crisis, however, there were not many investments in the chains of hotels in Hungary earlier either, with the exception of the capital. These investors usually analyse the market in a professional way. The life cycle, the competitive position of a given tourism destination, the competitors and the expectable results on the market. The market entrance strategy they follow is usually well-prepared, it is the consequence of a deliberate decision and the appearance of an international hotel chain in a destination that can also forecast the success of a given area, too.

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HUNGARIAN SUMMARY

A turisztikai fogadóterületek életciklusának minden fázisában szükségesek a fejlesztések, ezek nélkül nem válhatna egyetlen, még arra alkalmas, turisztikai vonzerőkkel rendelkező terület sem igazán sikeres turisztikai desztinációvá. Az alapinfrastruktúra és a turisztikai szuperstruktúra (superstructure) fejlesztése, beleértve a szállodai beruházásokat, kiemelt jelentőségűek, mert csak ezek
által biztosítható az adott területen a turisták, a vendégéjszakák számának és a bevételeknek a növekedése. Még a stagnálás fázisában is szükségesek a szállodai fejlesztések, ilyen időszakban nem a kapacitásbővítés, hanem a szolgáltatásfejlesztés, a színvonal megőrzése, és a hanyatlás elkerülése a cél. A tanulmány a szállodaipari befektetések sajátosságait mutatja be, a turisztikai fogadóterületek életciklus modelljének, a szállodai ingatlanfejlesztés jellegzetességeinek elemzéssével, nemzetközi és hazai példák által.