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Research Paper

Elicitation of tourist accommodation demand for counter-seasonal responses: Evidence from the Slovenian Coast

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ABSTRACT

This paper aims to survey the seasonality of Slovenian Coast from two different perspectives: (i) major source markets (domestic, main foreign markets); and (ii) accommodation categories (hotels, campsites, other). It applies a decomposition of the Gini index method. The results reveal the total Slovene coastal tourism concentration is relatively high compared to other Mediterranean coastal destinations. However, domestic tourists and tourists from neighbouring markets of Italy and Austria reveal a less seasonal pattern both overall and across all accommodation categories. Thus, increased efforts to attract more domestic, Italian and Austrian tourists would reduce the seasonality. Further, German and Russian visitors demonstrated higher seasonality. Market-specific products to attract tourists out of the peak season therefore need to be developed, based on an in-depth analysis of their seasonal behaviour and travel motivation.

1. Introduction

Seasonality has long been a major problem of the tourism industry, especially in destinations subject to climate and weather conditions (Butler, 2001). Thus, tourism destinations have had an imperative to identify and establish policies and strategies aiming to minimise the negative impacts of seasonality. These policies and strategies entail a diversification of the product mix (Andriotis, 2005), pricing incentives such as discounts and special offers (Andriotis, 2005; Butler, 2001), the attraction of new market segments (Cisneros-Martínez & Fernández-Morales, 2013; Fernandez-Morales & Mayorga-Toledano, 2008; Fernandez-Morales, Cisneros-Martinez, & McCabe, 2016), regulation of holidays (Cannas, 2012; Rosselló & Sansó, 2017) or simply embrace the regular occurrence of seasonality (Andriotis, 2005; Fernandez-Morales, 2003).

There are various definitions of seasonality. Butler (2001) distinguishes between natural and institutional seasonality: the former refers to climate and weather conditions of tourism destinations, whereas the latter relates to 'traditional and often legislated temporal visitations in human activities and inactivity' (Butler, 2001, p. 6). By following Allcock's (1994) definition, Butler (2001) also referred to seasonality as the tendency of tourist flows to become concentrated in short periods of the year, causing a temporal imbalance which relates to the peaking and overuse of facilities. This leads to short operating seasons that leave the tourism industry with under-utilised facilities, a lack of full-time employment and staff retention, and being incapable of attracting inward investments (Butler, 2001; Krakover, 2000; Pearce, 1989; Yacoumis, 1980). Moreover, hotel managers and owners very often attribute low occupancy rates in the high season to the temporal imbalance of tourism demand and the over-supply of beds offered by 'parahoteleria[1]' (Andriotis, 2005).

More recently, several studies on seasonality in sun-and-beach tourism destinations emerged in the tourism economics literature, emphasising that the destinations face high seasonality, forcing tourism managers and policy-makers to come up with effective counter-seasonal responses. Although Slovenian tourism has a strong seasonal character (Mihalič, 2011), the seasonality research has predominately focused on Italian (Cuccia & Rizzo, 2011; De Cantis, Ferrante, & Vaccina, 2011; Volo, 2010), Croatian (Kožić, 2013; Kožić, Krešić, & Boranić-Živoder, 2013) and Spanish destinations (Cisneros-Martínez & Fernández-Morales, 2013; Cunado, Gil-Alana, & Perez de Garcia, 2005; Duro, 2016; Fernandez-Morales & Mayorga-Toledano, 2008; Fernandez-Morales et al., 2016; Fernandez-Morales, 2003; Nadal, Font, & Rossello, 2004; Rosselló & Sansó, 2017). However, the counter-seasonal responses identified by the above researchers may not be appropriate for Slovenia. Further, the proposed counter-seasonal responses were

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[1] Parahoteleria is an expression that denotes accommodation facilities other than hotels. The term is widely used in Germany and South-East Europe in order to distinguish hotels from other accommodation facilities.

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mainly based on hotel occupancy rates (Cunado, Gil-Alana, & Péres De Gracia, 2004; De Cantis et al., 2011; Duro, 2016; Fernandez-Morales & Mayorga-Toledano, 2008; Volo, 2010), thus disregarding other accommodation facilities such as camps, guest houses, self-catering accommodation, youth accommodation, tourism farms, etc. This over-research on the data from hotels narrows the insights into wider accommodation demand across different tourism markets, which may result in either inefficient overall counter-seasonal responses or limited marketing opportunities.

The purpose of this paper is therefore to survey the seasonality of the Slovenian Coast, stressing the demand for various accommodation facilities across different tourism markets. By decomposing the Gini index and calculating the relative marginal effect (hereafter RME) as effective tools for surveying seasonality (Fernandez-Morales & Mayorga-Toledano, 2008), the paper aims to present counter-seasonal responses that would aid tourism managers and policy-makers in creating policies and strategies for the sustainable development of tourism (Mihalič, 2016).

2. Literature review

2.1. Aspects of tourism seasonality

2.1.1. Determinants of seasonality in tourism

The general consensus is that tourism is subject to natural and institutional seasonality (Butler, 2001), which are very often complementary rather than unrelated events. On the one hand, a destination's climatic conditions, such as day length, insolation, the temperature of the air and sea (or rivers and lakes), relative humidity, rainfall, etc, are considered determinants of natural seasonality (Mihalič & Kaspar, 1996). On the other hand, institutional seasonality results from human decisions concerning the time to take a vacation, which is influenced by religion, culture, ethnicity, fashion, and socio-political factors (BarOn, 1975; Butler, 2001; Hartman, 1986). Natural and institutional seasonality thus predetermine the availability of natural, social and cultural attractions and related activities, but also affect vacation traditions, the institutionalisation of holidays, and the changing tastes of visitors.

According to Koenig-Lewis and Bischoff (2005), these determinants trigger 'at the same place, at the same time' an influx of tourists, regarding which Butler and Mao (1997) identified three basic patterns: non-peak, one-peak and two-peak. Non-peak seasonality means that tourism activities occur throughout the year (Karamustafa & Ulama, 2010). One-peak seasonality is represented by tourism activities occurring in specific months, with no or little activity during the rest of the year. Such examples are sun-and-beach tourism destinations, for which it has been shown that the majority of tourist visitation occurs during the warm summer months (Andriotis, 2005; Fernandez-Morales, 2003; Kožić, 2013; Nadal et al., 2004; Volo, 2010). Two-peak seasonality refers to tourism activities in two seasons (Karamustafa & Ulama, 2010). And it is the latter two patterns (i.e. one-peak and two-peak) that make up the essence of the seasonality problem: 'an uneven distribution of use over time (peaking) "…that is…" causing inefficient resource use, loss of profit potential, strain on social and ecological carrying capacities, and administrative scheduling difficulties' (Manning & Powers, 1984, p. 25). As expressed by Trajkov, Biljan, and Andreeski (2016), these peaks or short intervals of tourist concentration are repeated yearly, making them difficult to change or mitigate.

2.1.2. Negative and positive outcomes of seasonality

Regardless of its origins, 'seasonality has frequently been viewed as a major problem for the tourism industry, and has been held responsible for creating or exacerbating a number of difficulties faced by the industry' (Butler, 2001, p. 5). Accordingly, the dominant perceptions are that seasonality has negative impacts on the tourism industry, whereas some authors also argue that seasonality can benefit destinations.

Negative economic impacts are related to an increase in prices, income instability and recruiting costs (Ball, 1989; Jang, 2004; Krakover, 2000), resource utilisation (Commons & Page, 2001; Jang, 2004; Jeffrey & Hubbard, 1988; van der Werff, 1980) and employment (Ball, 1989; Clarke, 1981; Commons & Page, 2001; Goulding, Baum, & Morrison, 2005; Krakover, 2000). Negative environmental and socio-cultural impacts of seasonality have also been researched, with emphasis being placed on the deterioration of landscapes and the disturbance to wildlife, and the decrease in local residents' quality of life due to congestion and crowding (Butler, 2001; Cuccia & Rizzo, 2011; Mathieson & Wall, 1982; Muir & Chester, 1993; Murphy, 1985; Pearce, 1989; Witt & Moutinho, 1994). According to Jang (2004), crowding also reduces visitors' satisfaction and results in overall low-quality holidays for tourists due to the reduction of available accommodation (Krakover, 2000), and transportation system and infrastructure overuse (Commons & Page, 2001).

Conversely, Grant, Human, and Le Pelley (1997) suggested that the off-season is usually a time when maintenance work on buildings and attractions is scheduled, whilst Murphy (1985) noted that many communities relieve the stress accumulated during the peak season, which helps to 'normalise' the traditional social patterns that have been disrupted. Moreover, Butler (2001) and Hartman (1986) suggested that the off-season allows fragile environments in highly seasonal destinations to rejuvenate and recuperate so that visitors can again admire its fragile nature once the visitations re-start.

2.1.3. Responses to seasonality

There are several approaches to managing seasonality (Butler, 2001; Jang, 2004; Koenig-Lewis & Bischoff, 2005). The first is to develop appropriate tourism products that include all-weather activities and facilities (Andriotis, 2005). The second approach relates to different pricing incentives (i.e. discounts and special offers) during the off-season (Andriotis, 2005; Butler, 2001). Baum and Hagen (1999) believe that this approach might damage the business in the long run since aggressive pricing might do more to damage a destination's overall reputation. The third approach refers to attracting new market segments in the off-season periods, with researchers proposing to focus on attracting tourists whose activities would not be too weather-sensitive. For example, in the case of Andalusia, Cisneros-Martínez and Fernández-Morales (2015) suggested a focus on domestic tourists interested in cultural attractions and activities. Similarly, Fernandez-Morales and Mayorga-Toledano (2008) proposed attracting British and Nordic tourists in winter months to Costa del Sol in Spain.

Finally, another approach is to develop so-called seasonality coping mechanisms (Andriotis, 2005; Nunkoo & Ramkissoon, 2011), which have been considered economically unattractive. The ultimate rigorous measures of the tourism industry would be to either close some facilities in order to save costs 'when it is not possible to increase the demand outside the peak season substantially' (Koenig-Lewis & Bischoff, 2005, p. 213) or to carry out some renovation works in the off-season aiming to improve tourism infrastructure and services (Mathieson & Wall, 1982; Weaver & Oppermann, 2000).

2.2. Measurement of tourism seasonality

The number of visitors is the most frequent measurement unit of seasonality (Lundtorp, 2001). Other units are the number of arrivals, departures, overnight stays, and tourist expenditures (Karamustafa & Ulama, 2010). In contrast, the seasonality ratio, the seasonality indicator, the seasonality index, and the Gini index are recognised as the methods most commonly used for measuring seasonality (Karamustafa & Ulama, 2010; Lundtorp, 2001).

Karamustafa and Ulama (2010) and Lundtorp (2001) compared these four different measurements of seasonality and exposed their strengths and weaknesses. First, the seasonality ratio determines the seasonal demand structure in a year and is calculated 'by taking the