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ТУРИЗМЪТ И ГЛОБАЛНИТЕ КРИЗИ

TOURISM AND THE GLOBAL CRISES

ТУРИЗМ И ГЛОБАЛЬНЫЕ КРИЗИСЫ

TURISMO Y CRISIS GLOBALES

ИЗДАТЕЛСТВО "АЙ АНД БИ" 2021







ТУРИЗМЪТ И ГЛОБАЛНИТЕ КРИЗИ

СБОРНИК ДОКЛАДИ ОТ МЕЖДУНАРОДНА НАУЧНА КОНФЕРЕНЦИЯ, ОРГАНИЗИРАНА ОТ КАТЕДРА "ТУРИЗЪМ" НА СТОПАНСКИЯ ФАКУЛТЕТ НА ВЕЛИКОТЪРНОВСКИЯ УНИВЕРСИТЕТ "СВ. СВ. КИРИЛ И МЕТОДИЙ", 21 АПРИЛ 2021 ГОДИНА

ТУРИЗМ И ГЛОБАЛЬНЫЕ КРИЗИСЫ

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EVENT TOURISM IN HOTELS: ITS IMPORTANCE FOR THE SECTOR'S RECOVERY IN THE POST-PANDEMIC

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Abstract: Understanding the behavior of event tourism, during the seasonality periods in the hotel industry, is relevant and, based on this principle, the model published in the sector's recovery process in the post-pandemic of Covid-19. In this context, it is asked how event tourism can contribute to the recovery of the hotel sector after the pandemic? Thus, the objective of this work was to analyze event tourism and its temporal dynamics correlated with an occupancy rate in hotels, in the city of João Pessoa / Paraíba. Tourism activity was growing in Brazil and, in 2017, tourism came to represent 8% of GDP (Gross Domestic Product) generating, in that same year, more than 7 million jobs and revenue of US \$152 billion, with emphasis on the event tourism segment. Bibliographic and documentary research supported a quantitative approach to the analysis of a case study in a hotel located in Manaíra, one of the tourist neighbourhoods of the city of João Pessoa, capital of the state of Paraíba, Brazil. The data analyzed and presented in the graphs demonstrated that there is a correlation between event tourism and the occupancy rate in the hotel industry, in the city of João Pessoa/Paraíba. It was evident that in the months of low occupancy the revenue generated by the events grows significantly and this allows financial stability to the enterprise. It also constitutes a perspective of action to build up the goals that aim at the recovery of the hotel activity after the Covid-19 pandemic.

Keywords: Covid-19; Hospitality; Tourism; Events.

INTRODUCTION

Event tourism, in the hotel business, deserves to be highlighted for presenting good results in the low season and for this reason, the lodging facilities were, before the Covid-19 pandemic, investing in this segment. Thus, the need to understand the behavior of event tourism, during periods of seasonality in the hotel industry in the city of João Pessoa-Paraíba, becomes

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relevant and, based on this principle, the model can be applied in the process for the sector's recovery in the post Covid-19 pandemic.

Seasonality refers to fluctuations in the occupancy rate in hotels that happen throughout the year and that influence the volume of sales in specific periods, such as months or weeks. In the case of Covid-19, the correct thing is to deal with cyclical variations, which occur in the form of waves, varying the period of occurrence according to different factors such as climatic problems or economic crises. In this context, the question stands out: how can event tourism contribute to the recovery of the hotel sector after the pandemic? Thus, the objective of this work was to analyze event tourism and its temporal dynamics correlated with the occupancy rate in hotels, in the city of João Pessoa / Paraíba / Brazil.

THEORETICAL REFERENCE

According to the National Tourism Plan (PNT) of 2018/2022, tourism activity was growing in Brazil and in the world and, based on data from the Word Travel & Tourism Council (WTTC), in 2017 tourism came to represent 8 % of Brazil's GDP (Gross Domestic Product) and 10% of world GDP. Moving a total of US \$ 7.6 trillion and generating a total of 292 million jobs around the world. In Brazil, in that same year, the generation of jobs was 7 million and the revenue an accumulated value of US \$ 152 billion. In this scenario, the event tourism segment stands out, which is defined as the gathering or grouping of people, with common interests, with the specific objective of purchasing products or services; update or disclose information; achieve improvement, reconciliation or motivation to achieve or surpass goals (MARTIN & BENI, 2003).

According to Simões and Rodrigues (2012), holding events is also an opportunity to promote the gastronomy of the destination. Furthermore, events are alternatives to mitigate the problems arising from seasonality, and the realization of events has a multiplier effect on the economy with the increase in the movement of different sectors of the local economy. In this context, the World Tourism Organization (WTO) highlights that, of the total revenue generated by world tourism, it is found that 20% come from event tourism, which is a constantly evolving segment (SCHOMMER, 2012).

Hotels are defined as accommodation companies inserted in the tourism system as a product. This in view of the fact that the hotel provides support for the tourist's stay, that is, for lodging. It is, then, a building that, upon payment of daily rates, offers accommodation to indiscriminate customers (CASTELLI, 2007), and it is in this environment that organizations choose to hold their corporate or business events, as they are considered their conditions of

location, effective service, if there is good infrastructure available, security and the concentration of a set of services related to the event, particularly the space and service for organizing the event, accommodation, food and entertainment (CAETANO & COLANTUONO, 2015). As such, Rocha and Silva (2015) assert that the promotion of events within a hotel can solve, or even reduce, the problems related to seasonality, namely through the holding of events in the low season. Thus, the events are directly interconnected with the hotel sector, improving movement in the hotel and contributing to the growth in the value of REVPAR (Revenue per Available Housing Unit) and profitability.

At this time, where the population and the world economy face the consequences of Covid-19, it is relevant for the hotel sector to envision possibilities for the financial recovery of the activity, and event tourism can be an activity with the potential to generate economic and social benefits for entrepreneurs, promoters, local business, restaurants, hotels and for professionals that operate directly or indirectly in the tourist market. In short, event tourism can create opportunities for travel, increase consumption and promote economic development.

The city of João Pessoa, located in the state of Paraíba, in the northeastern region of Brazil, has several tourist attractions, both natural and cultural, as it has a warm climate practically all year round and a coastline formed by warm water beaches in a typically tropical landscape, in addition to its historical heritage, as it was the third oldest capital in Brazil.

METHODOLOGICAL PROCEDURE

The research had a quantitative approach based on a case study and to support the analyzes, bibliographical and documentary research was carried out. The study was developed in a hotel located in Manaíra, one of the tourist neighbourhoods of the city of João Pessoa, capital of the state of Paraíba. In this scenario it was carried out an analysis of the occupancy rates and the revenues generated by the enterprise in the years 2017, 2018 and 2019

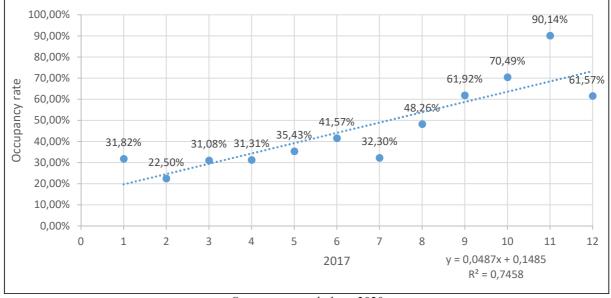
This hotel unit shows a differential among the other hotels in the region studied, as it has, within its physical structure, two floors for events, distributed in 08 meeting rooms with a capacity of 10 to 400 people; making, due to its ample capacity to absorb simultaneous demand for events, a favorable condition to achieve a greater volume of monthly events.

In order to achieve the proposed objective, in the study, a survey was carried out on the documents provided by the management of the hotel enterprise. Information was collected from two reports of the system used by the hotel, the first one named the Hotel Occupancy Report (ROH), which shows the daily evolution and the accumulated value of the month previously stipulated, containing information such as occupancy rate, amount of occupied rooms, number

and types of guests, average daily rate charged and revenue generated each day. The second document analyzed was called the Daily Situation Report (RDS), which has a concept focused on the financial revenue information generated in all the Points of Sale (POS) existing in the enterprise and segmented by 08 groups, namely: Accommodation, Food & Drinks (A&B), Events, Miscellaneous, Laundry, Telecommunications, Taxes and fees, Receipt. In this study, the group chosen for analysis was the revenue generated by the events sector, which are categorized into three segments: room Rental; equipments Rental and banquets that show revenue generated by the Chef's Coffee-break, cocktail and buffet services.

ANALYSIS OF RESULTS

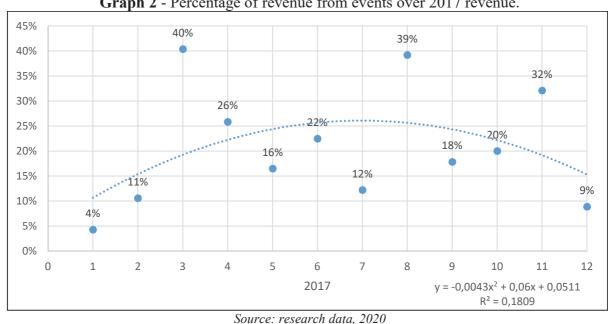
The study assessed the occupancy rates for each month for the years 2017, 2018 and 2019, as well as the percentage of event revenue on turnover in the same periods.



Graph 1 - Accommodation Occupancy Rate in 2017.

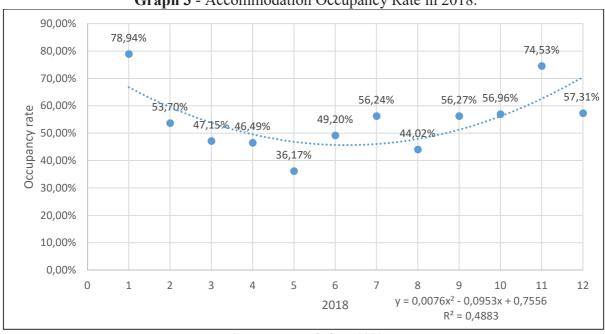
Source: research data, 2020

The hotel selected for the study was inaugurated in November 2016 and, as a result, there is a constant growth in occupancy rates in Graph 1. An atypical phenomenon that will not be repeated in the following years.



Graph 2 - Percentage of revenue from events over 2017 revenue.

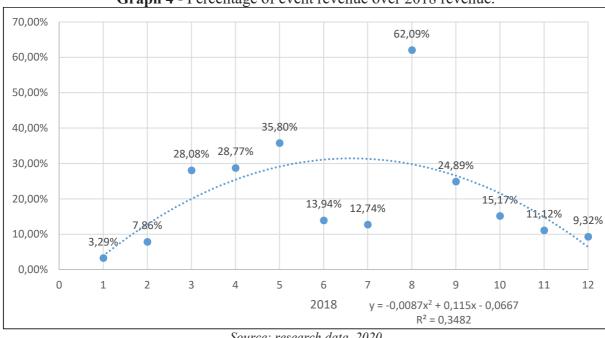
Graph 2 shows how the demand for events developed in 2017. There was a tendency to increase the share of revenue from events in the middle months of the year, a period that does not coincide with holidays and Summer, that is, in periods when the occupancy rate tends to be lower.



Graph 3 - Accommodation Occupancy Rate in 2018.

Source: research data, 2020

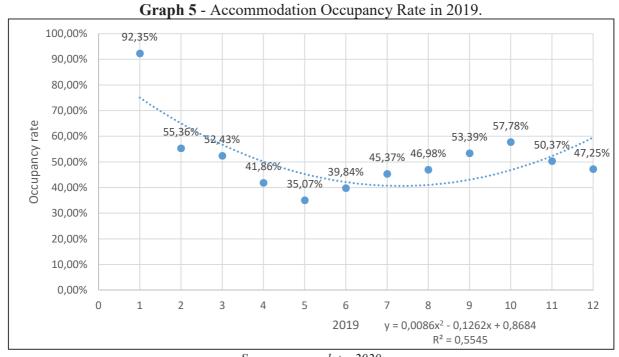
In Graph 3, with the enterprise in its second year of operation and already consolidated in the market, it was already possible to observe that the dynamics of the high and low season periods are present. The equation, represented in the dashed line, demonstrates the phenomenon and is complemented in Graph 4.



Graph 4 - Percentage of event revenue over 2018 revenue.

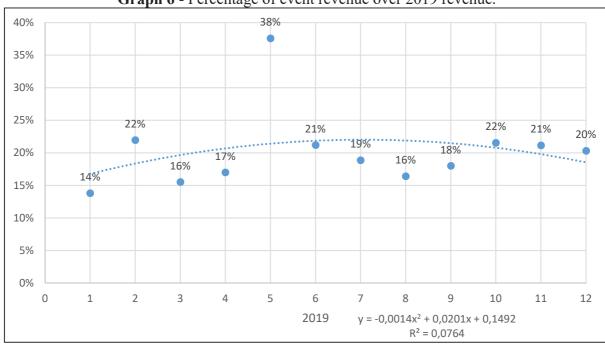
Source: research data, 2020

In 2018, it was already possible to overlay the data in Graph 3 with the data in Graph 4 and realize the existence and a correlation between revenue growth in the events sector offsetting the drop in revenues due to the decrease in occupancy rates in the same periods. The reverse is also true in the months of the end and beginning of the year.



Source: survey data, 2020

The phenomenon observed in Graph 3, describing the occupancy rates, is confirmed by the repetition in Graph 5. In the year 2019, the data are also distributed along the dashed line representing the equation described in the graph.



Graph 6 - Percentage of event revenue over 2019 revenue.

Source: research data, 2020

In 2019, graph 6 is a confirmation of the phenomenon observed in the years 2017 and 2018, proving the correlation between the increase in revenue generated by the events sector in periods when the hotel occupancy rate declines.

By continuously analyzing the data, since 2017, it was possible to identify that the hotel dynamics in the occupancy rate has its development with the fluctuations of high and low due to the effects of seasonality. However, the event revenue graphs also show seasonality, but in periods opposite the seasonality of the occupation, and when overlaying the graphs, it is noticed that the revenue generated by the event sector is important for the enterprise, as it stands out precisely in the months in which the hotel occupancy rate is reduced.

The union of the events and accommodation forces generates benefits to the hotel business, since corporate events need to host a certain number of people, whether they are speakers, participants, company directors and event coordinators. Therefore, by adding the concept of accommodation in the same place as the event, the hotel sector has a perspective for the sector's recovery after the Covid-19 pandemic.

FINAL CONSIDERATIONS

The importance of event tourism as a source of revenue in periods of low occupancy for hotels, in the city of João Pessoa-PB, was confirmed in the research, as in the period of low season there was an increase in revenue from events. Thus, the study question was answered, as the possibility that event tourism contributes to the recovery of the hotel sector after the pandemic is real.

The data analyzed and presented in the graphs demonstrated that there is a correlation between event tourism and the occupancy rate in hotels, in the city of João Pessoa / Paraíba. It was evident that in the months of low occupancy, the revenue generated by the events grows significantly and this allows financial stability for the enterprise. It is also an action perspective to compose strategies aimed at the recovery of hotel activity after the Covid-19 pandemic.

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