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Relationships between cycle theories, sustainable tourism, and the effects of the COVID-19 in Hungary

Abstract. Examining cycle theories calls our attention to the fact that tourism will be described by descending and ascending curves within certain periods in the future. According to cycle theories, the downturn in the tourism industry will continue from four to five years. According to the study conducted by the authors, domestic tourism will become more intensive, trips will have spatial limitations, the length of stay will increase, and cars will be the most popular means of transport.

As part of the research, the authors surveyed 230 respondents concerning tourism activities. An in-depth interview was carried out with Zoltán Somogyi, a former Deputy Secretary General of the UNWTO, about the possibilities of solving the effects of COVID-19.

To address COVID-19 challenges, the Hungarian government is required to make quick decisions. Demand needs to be diversified, and new sustainable tourism products need to be introduced. Visits to Hungary should be extended in space and time, and an interest in domestic tourists in the state should be increased by implementing strong marketing. More serious regulations should be adopted with the participation of local entrepreneurs; more consideration should be given to contactless technologies. In the post-COVID-19 period, the overtourism in Hungary should be replaced by sustainable and creative tourism.

Keywords: Cycle Theories; Sustainable Tourism; COVID-19; Hungary

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Взаємозв'язок між теоріями циклічності, стійким туризмом і наслідками коронавірусу в Угорщині

Анотація. Дослідження теорій циклічності демонструє те, що в майбутньому туризм матиме періоди падіння та піднесення протягом певного часу. Згідно з такими теоріями, спад у туристичній галузі триватиме 4-5 років, після чого почнеться період зростання галузі. Результати дослідження, проведеного авторами статті, вказують на те, що обсяг внутрішнього туризму збільшиться, подорожі матимуть більше обмежень у просторі, тривалість перебування у пунктах призначення збільшиться, а найпопулярнішим видом транспорту стане автомобіль.

У рамках проведеного дослідження автори опитали 230 респондентів стосовно діяльності туристичної галузі. Було проведено глибинне інтерв'ю із Золтаном Сомоджі, колишнім заступником генерального секретаря Всесвітньої туристичної організації, щодо можливостей вирішення проблем, пов'язаних із наслідками коронакризи.

Для того, щоб вирішувати наявні проблеми, уряд країни повинен приймати швидкі рішення. У цьому контексті доречними будуть диверсифікація попиту, а також створення нових продуктів у галузі сталого туризму. Туристичні подорожі до Угорщини слід робити більш різноманітними в просторі та тривалими за часом. Разом із тим інтерес внутрішніх туристів до власної держави слід підвищувати завдяки потужній маркетинговій діяльності. Важливі рішення в цій сфері потрібно приймати з урахуванням думки місцевих підприємців. Активнішим повинно бути впровадження безконтактних технологій. У післяковідний період в Угорщині акцент має бути зроблено на розвитку стійкого та креативного туризму.

Ключові слова: теорії циклічності; стійкий туризм; коронавірус; Угорщина.

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Взаимосвязь между теориями цикличности, устойчивым туризмом и последствиями коронавируса в Венгрии

Аннотация. Исследование теорий цикличности демонстрирует то, что в будущем туризм будет переживать периоды падения и подъема на протяжении определенного времени. Согласно таким теориям спад в туристической отрасли продлится в промежутке 4-5 лет, после чего начнется период роста отрасли. Результаты исследования, проведенного авторами данной статьи, указывают на то, что объем внутреннего туризма возрастет, путешествия станут более ограниченными в пространстве, продолжительность пребывания в пунктах назначения увеличится, а самым популярным видом транспорта станет автомобиль. В рамках проведенного исследования авторы опросили 230 респондентов относительно деятельности туристической отрасли. Также было проведено глубинное интервью с Золтаном Сомоджи, бывшим заместителем генерального секретаря Всемирной туристической организации, в отношении возможностей решения проблем, возникших в результате коронакризиса.

Для того, чтобы быть в состоянии решать нынешние проблемы, правительство страны должно принимать быстрые решения. В данном контексте уместными будут диверсификация спроса, а также создание новых продуктов в области устойчивого туризма. Туристические поездки следует делать более широкими в пространственном отношении и более длительными по времени. Вместе с тем интерес внутренних туристов к собственному государству следует повышать посредством ведения активной маркетинговой деятельности. Важные решения в обозначенной сфере следует принимать с учетом мнения местных предпринимателей. Активным должно быть внедрение бесконтактных технологий. В постковидный период акцент должен быть сделан на развитии устойчивого и креативного туризма.

Ключевые слова: теории цикличности; устойчивый туризм; Венгрия.

1. Introduction

The first phase of the growth of the international tourism was continuous between the 1950's and the 2000's (Figure 1); its rapid increase lead to developing of the current postmodern overtourism. Analysing the number of the international tourist arrivals (between 1950 and 2000), it can be stated that only three breaking periods can be identified on the diagram. Due to the boom of the oil prices in 1979, the number of the visitors decreased by 0.4% in 1982; then the impact of the Gulf War (in 1991) and the Kosovo War (in 1999) can be perceived in a minimal way (Remenyik & Szabó, 2019).

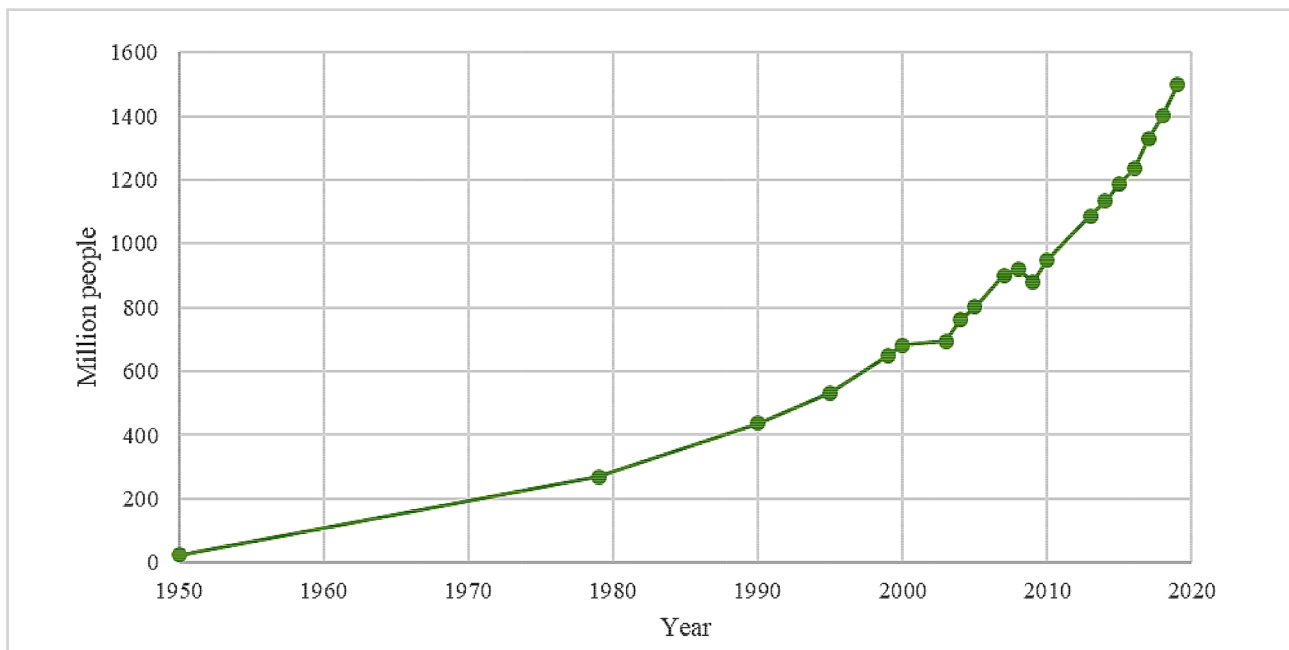


Figure 1:
The evolution of international tourist arrivals in the world

Source: UNWTO (2020)

The growing trend of the tourism turned to uncertain after the terrorist attacks on 11 September 2001 with the crisis affecting the whole economy. The motivation for travelling too changed after the terrorist attacks on 11 September. The interest in inbound tourism, as well as visiting friends and relatives, and short trips to authentic individual cities, became more important. Business trips were hit very hard as many conferences and a huge number of incentive trips were cancelled, which ruined activities started several years before, and caused huge losses in revenue as well (Tóth et al., 2010). Those impacts were repeated due to the financial crisis in 2008-2009.

Cycle-theories of economic growth discuss the shifting of the focal point of the economic growth. According to *K*-waves, the growth of the capitalist economy is a repetitive, renewing cycle of a period of around 50 years (Kondratiev, 1980). Kondratiev waves have an impact on the whole world economy, remaining not only within the economic frame but also appearing in politics, population growth, crime and can even be observed in artistic and literary trends as well (Sipos, 1997; van der Schyff et al., 2019). The asymmetry is typical of the cycle in general, which is represented by the downward curve which is longer and deeper than the upward curve.

According to Kondratiev, long waves are characteristic of the capitalist economy, which include a period of around 50 years, however 25% time-interval deviation is also acceptable (Sipos, 2002).

The duration of cycles is steadily doubling from smaller to larger (the secular trend is not an exception). Schumpeter did not address secular trends and believed that Kitchin, Juglar and Kondratiev cycles were closely related. According to him, an average Kondratiev cycle (spanning about 57 years) contains 6 Juglars (9 and a half years), and each Juglar cycle includes 3 Kitchins (3.16 years in length) (Grinin et al., 2010). However, if we take a Kuznets cycle, which Schumpeter did not mention, as 18 years, we can take the Juglar cycle as 9 and the Kitchin as 4.5 years. Thus, the relationship between them is quite clear: 1 Kondratiev cycle includes 12 Kitchin, 6 Juglar and 3 Kuznets cycles.

Furthermore, these cycles of different duration are continuously present in the economy, coexisting and intermingling with each other. For this reason, cycles can reduce or even increase the amplitude of the total actual oscillation with their own motion. For example, if the descending branch of a cycle spanning a century meets the descending branch of the Kondratiev cycle as well, it will intensify, deepen, or, otherwise, mitigate the crisis.

As a result of such interactions, what we currently consider to be a trend cannot be clearly stated as a particular cycle, as it is possible that the current situation is, in fact, nothing more than the next cycle or part of it.

If cycle theories are to be accepted, the tourism industry must move towards the development of sustainable tourism.

2. Brief Literature Review

Postmodern mass tourism (especially overdeveloped overtourism) can have a negative, destructive effect on biodiversity and ecosystems (Aronsson & Sandell, 1999). Tourist traffic and interest are growing in the direction of biodiversity, therefore careful planning and management of tourist traffic is necessary in order to reduce and avoid negative effects (Dávid et al., 2008).

Pandemics affect our travel decisions. Between November 2002 and June 2003, approximately 8000 people were infected with the SARS virus, almost two-thirds of them in the People's Republic of China and a fifth in Hong Kong (Mackey & Liang, 2012). Passengers play a serious role in the transfer of epidemics or pandemics between locations (Hollingsworth et al., 2006).

As a result of the COVID-19 pandemic, sustainable tourism has been built. This type of tourism strikes a balance between tourism industry, economy, environment and interests of the locals, providing visitors with a quality experience while improving the environment and the locals' quality of life (McCool & Lime, 2001; Grundey & Vilutyte, 2012). It allows social and economic resources that form the basis of tourism to be available in the future as well. Responsible tourism focuses on what individuals and groups do in specific places, times and cases to achieve sustainability. Individual responsibilities can be definable and accounted for, and results can be evaluated immediately, locally (Su, Lian & Huang, 2020).

Competitiveness is evident in the marketplace as tourism has become a major tool for economic growth and job creation. The tourist business owners in many destinations must learn how to think more like businesses and develop new products, markets and customers. Governments also play a vital role in tourism development, ranging from minimal to high level of involvement (Kubickova & Martin, 2020).

Sustainable tourism is achieved through responsible tourism. A socially and culturally conscious tourist understands the impact of their trip on places they visit and seek to make these effects beneficial to the destination (Herget et al., 2015; Tan et al., 2019). They are not only curious about the surface, trying to get to know the culture, customs and traditions of the destination as deeply as possible. Responsible consumption by the tourist, as well as responsible behaviour in general, is the way to sustainable tourism, which refers to the general state of tourism. It is required to make efficient use of natural resources, which are key to tourism development. It manages essential ecological processes and helps preserving natural heritage and biodiversity.

In 1999, the UN laid down the principles of sustainable tourism in the Global Code of Ethics for Tourism (UNWTO, 2002a). According to these principles, there are economic, social and environmental expectations for sustainable tourism. In order to promote social progress and fair living conditions, the development of sustainable tourism must ensure economic development and preserving environmental conditions. It sets out general principles of sustainable tourism for all (WTTC, WTO & EC, 1996).

The Code of Ethics emphasizes the importance of striving to protect the environment, save energy and distribute the burden of tourism more evenly in tourism development for tourism stakeholders in order to create sustainable tourism (UNWTO, 2002b). When planning tourism activities, the focus should be on protection of natural heritage. The principles of sustainable development can best be realized through nature tourism and ecotourism.

Sustainable tourism is not a unique, special form of tourism. All forms of tourism must strive for sustainability (UNWTO 1998).

The tourism industry can contribute to sustainable socio-economic development and environmental protection. Their revenue can support the protection of natural resources as the local population recognizes the value of goods in their possession, and it is in their interest to preserve them. In addition to cultural diversity, it also provides an opportunity to learn about biodiversity.

According to the IUCN tourism strategy, responsible tourism and its contribution to biodiversity conservation bring benefits to travel companies. By contributing to the conservation of biodiversity, the quality of travel services and products will improve and provide new marketing value. It improves public perception of the business, gives it an edge over competitors and can bring new quality customers to tourism. In this way, the sustainable use of tourism resources is also ensured for long-term tourist sites. Due to the growing importance of the tourism industry and close connection with nature conservation, all major environmental and nature conservation organizations pay close attention to this sector (Tóth, Dávid, & Bujdosó, 2010).

According to the IUCN World Commission on Protected Areas (WCPA) tourism strategy, the impact of tourism extends to ecosystems, the ground, the vegetation, water, air and wildlife (Eagles et al., 2002).

3. Purpose

The purpose of the research is to explore the causes of the effects of COVID-19 in Hungary from the standpoint of cyclic theories and propose the ways of further development of tourism after the crisis.

4. Results

4.1. The Effect of the COVID-19 on the World's Tourism Industry

According to the Kondratiev theory, falling and increasing *K*-waves will re-occur during the process of development of the tourism industry. The damage caused by the current pandemic cannot be compared with the previous economic crises, as the borders were not closed in the past (Dávid, 2004). Tourists may become potential carriers of viruses, which makes spreading of viruses possible across the globe. Of course, the fear of spreading viruses has reduced people's motivation to travel. The news broadcasted by the media have such a huge impact on the people with regard to new infectious viruses that only the unswerving travellers are taking possible risks when visiting a destination. We called them the unreasonable in our research, opposite to the so-called closing group, who refuse from any kind of travelling, while most people tend to belong to the group formed by people occupying their niche between the two abovementioned groups.

International tourist arrivals have dropped dramatically across the world. Based on the research of the UNWTO (Table 1), it can be seen that only Asia was aware of the decrease during the first months of 2020, where the reduction was 54%, while stagnation or small decrease was typical in other regions compared to 2019. March 2020 was really crucial, since the number of the registered cases of COVID-19 exceeded the global threat level, and since then we could talk about pandemic. Only the results of July and August 2020 showed some mitigation thanks to domestic tourism.

The prospects for the future are still doubtful. According to the report of the UNWTO, it will take from 2.5 to 4 years until the number of international tourist arrivals reaches the level of 2019 (UNWTO, 2020). To be able to restart the tourism, more and more destinations introduce various measures, such as a hygiene protocol, and promote domestic tourism with marketing campaigns.

Table 1:

The ratio of the international tourist arrivals in 8M of 2020 compared to 8M of 2019

Region	January	February	March	April	May	June	July	August
Europe	5%	2%	-61%	-98%	-96%	-88%	-72%	-69%
Asia and Pacific Region	-9%	-54%	-82%	-98%	-99%	-98%	-96%	-96%
America	0	3%	-50%	-94%	-93%	-92%	-88%	-88%
Africa	2%	1%	-43%	-99%	-99%	-99%	-96%	-94%
Middle East	6%	-1%	-63%	-99%	-99%	-99%	-96%	-94%
World	1%	-16%	-65%	-97%	-97%	-91%	-87%	-79%

Source: UNWTO (2020)

4.2. The Impact of COVID-19 in Hungary

According to the data available from the Hungarian Central Statistical Office, the registered number of guests on commercial accommodation decreased by 53% in the period from January to September 2020 compared to same time last year. The main decrease can be measured by the number of the foreign tourists where the number dropped by 73% from 2019 to 2020. Regarding the number of domestic tourists, the decrease was smaller - only 36%. One of the reasons for the difference is border closures introduced in March and brought back in September, which made the international travelling impossible. Only business travellers have been allowed to enter Hungary since September. However, local residents were able to travel within the country during the first wave of COVID - 19 without any restriction. As a result of the previous trends, the share of the local tourists increased from 52.8% to 72.7%, while the share of the international tourists dropped from 47.2% to 27.3% in the country.

In the view of touristic regional breakdown, it can be seen that the number of tourists decreased in all the regions during the observed period. The biggest decrease was registered in Budapest and Central Danube Region - 71%. The number dropped by 50% in the Central Transdanubia and by 49% in the Western Transdanubia. Due to the impact of the virus, the role of rural area has become more important. With 40.4% of all the tourists registered in Budapest and Central Danube Region, the share decreased to 25.5% in 2020, whereas in Lake Balaton Region their share grew from 16.2% to 21.8%, and in the Northern Hungary the growth was from 8.9% to 11.5%. An increase can also be observed in other regions, which was measured between 0.3% and 1.8%.

Compared to the number of guests, the number of nights spent by tourists decreased by 52% in January - September 2020, compared to the same period last year. The biggest decline was registered in the nights spent by foreign tourists accounting for 72%, while the number of domestic nights dropped «only» by 33%. The regional breakdown shows that despite a decrease of 14% in the number of guests in Budapest and Central Danube Region, these were the most popular destinations. At the same time, the number of the nights grew by 6% in Balaton Region, and a 1-2% growth was registered in other regions. By the end of September the number of nights spent by foreign guests had dropped by 67.9% for the tourists from Germany, from the United Kingdom - by 71%, from Austria - by 58.8%, from the Czech Republic - by 68.7%, from Italy - by 67.4%, from Slovakia - by 53.4%, from Romania - by 63.6%, from Russia - by 74%, from France - by 67.1% and from Poland - by 73.6%.

85.8% of the registered nights spent by foreign tourists were due to the European market, 9.7% by the Asian, 3.7% by the American, and 0.8% by the Australian and African markets. The number of the registered nights spent by foreign tourists from European countries declined by 68.9%, by 67.9% for those arriving from the European Union, along with 88.1% and 79.9% for those coming from America and Asia, respectively.

The advantage of the pandemic can be seen in the results relating to commercial accommodations. Surprisingly, the average length of stay increased by 0.2 nights in Hungary. From the international point of view, the average length of stay increased more intensively by 0.8 nights. However, the domestic average length of stay increased only slightly (0.1 nights). The regional breakdown indicates that the average length of stay grew in almost all regions, except Balaton Lake where guests stayed 0.1 nights less, if compared to the previous year.

Occupancy of rooms dropped by 13.9% in the whole country. The biggest decrease was registered in Budapest and Central Danubian Region (37.4%), with a smaller decline in other regions, except the Southern Transdanubia and Northern Hungarian Regions, where the occupancy rate of the rooms stagnated or increased by a smaller amount (e.g. by 1.1% in Southern Transdanubia Region).

The average daily rate also decreased by 745 Hungarian Forints (HUF) in the period of 2019-2020. If we consider the touristic regions, the highest and only drop in price was in Budapest and Central Danubian Region, where a room cost by HUF 4,085 less in 2020 than in 2019. In other regions commercial accommodations could sell their rooms at a higher average daily rate in 2020 than in 2019. 1 to 5-star hotels were able to increase their average daily rate countrywide, whereas unranked hotels were able to sell their rooms only if they offered them by HUF 2,410 less, if compared to the previous year. Boarding houses were also able to increase their average daily rate in 2020.

Regarding the accommodation fee per one operational day of one room (RevPAR), a negative tendency was observed. While the RevPAR was HUF 10,493 in January-September 2019, it decreased by HUF 3,043 countrywide as of the same period of 2020. We can see, that the biggest decrease was observed in Budapest and Central Danube Region by HUF 11,278 in the studied period. A smaller decline regarding the RevPAR was registered in other regions, however there were four regions (Northern Hungarian, Tisza Lake, Balaton Lake and Southern Transdanubian Regions) where the RevPAR slightly increased. According to the data by STR (cit. by Costar, 2020) for the Central and Eastern Europe, the net RevPAR of Hungarian hotels was 8.7% (base index: 9.8%) while in Austria it was 27.9% (base index: 30.5%), in Czech Republic - 12.9% (base index: 16.7%), in Poland - 21.3% (base index: 35.6%) and in Slovakia - 19.9% (base index: 35.4%).

However, it should be emphasized that the amount of Value Added Tax decreased from 18% to 5% as of the 1 January 2020, and the HUF/EUR exchange rate of HUF 323.1 grew to HUF 348 (7.7% increase), which influenced the decrease of the RevPAR.

If we examine gross revenue coming from accommodation services, we can see a dramatic drop by 59% regarding commercial accommodations in the country in 2020, if compared to the same period of the previous year. The regional breakdown shows that the biggest drop was registered in Budapest and Central Danube Region (77%). In other regions gross revenue also decreased, however by only 31-46% (STR, cit. by Costar, 2020).

Special attention must be paid to statistical data covering accommodations registered in the capital.

In Budapest, the registered number of guests declined by 73% in the period of January-September 2019 compared to the same period of time in 2020. The biggest decrease (76%) was registered in the number of the foreign tourists, while the number of domestic tourists declined only by 53%. At the same time, more foreign guests booked their accommodations in Budapest than local residents. The share of the foreign guests decreased by 10% and the share of the domestic tourists grew by 10% in 2020. There were attempts to rent accommodations in Budapest to domestic travellers instead of foreign tourists who were unable to visit Hungary at that time. Also, there have been campaigns to promote Budapest vacations. However, the final result of such promotions is still unknown, yet, according to preliminary information, those promotions have not performed as well as expected.

Similar to the number of the guests, the number of nights spent by foreign registered tourists in Budapest decreased by 73%, from which, the number of nights spent by foreign tourists decreased by 76%, while the number of nights spent by domestic travellers decreased by 53%, if compared to the previous year.

The positive impact of the pandemic can be manifested through the average length of stay in Budapest, which was by 0.2 nights longer at the commercial accommodations than last year. The average length of stay of foreign tourists increased by 0.8 nights in 2020, while the length of the domestic travellers by 0.2 nights.

The occupancy of the rooms in Budapest was lower by 43.3%, if compared to the previous year, a level which is higher than the average level of both the region and the country.

Analysing the financial performance of commercial accommodations in Budapest, we see that the RevPAR decreased from HUF 20,670 to HUF 7,118, which indicates a 66% decrease, if compared to the same period of the previous year. Rooms were sold at a lower average daily rate which was HUF 23,506 in January-September 2020, which indicates a 14% decrease, if compared to the same time of the previous year. The gross revenue of commercial accommodations in Budapest decreased by 79% (STR, 2020).

4.3. The effect of COVID-19 on the tourists' consumer behaviour - empirical results

Security and trust towards each other are one of the most important pillars of tourism. Regrettably, the current situation not only limits the possibility to travel, but also holds back the intention to travel. Such uncertainty impacts the financial and health aspects of life. Even when staying within their destination, travellers may find enough reasons to change their travel habits. According to Maslow's Hierarchy of Needs, the physiological needs are followed by safety needs which prevent many people of travelling if it may harm their life (Maslow, 1943).

Due to changes in the perception of security, changes concerning tourists may be expected before a trip. Earlier we did not look for information regarding health and security measurements applied by the hosts, or, at least, we did it not as deeply as we do it now. The up-to-date information about the preferred destination is crucial. Some airlines draw their passengers' attention to epidemic measures and restrictions. As a result, consciousness and responsibility will become more typical of tourists, which may have a positive impact on solving the problem of overtourism. Travel insurance with a wide range of services will also become an important element.

When selecting the right accommodation, flexibility and a possibility to cancel the reservation without any penalties will be significant, since the situation may change from day to day depending on government decrees. When selecting a means of transport, people will choose the car, since it has proved to be an optimal and safe solution.

When the pandemic broke out, many employers were forced to send their employees on holiday which resulted in the reduction in the available days of pre-planned vacations available in the consequent period of time. Nowadays, it is common practice when travellers prefer shorter trips to longer ones. The reduction in the number of available holidays will also contribute to this trend (Raffay, 2020).

One of the results of the pandemic is the development of contactless technologies, such as payment by credit card or digitalized storage of documents and tickets.

The spread of the pandemic impacted the mass tourism in a negative way because tourists do not want to leave their comfort zone. Therefore getting the same level of services and safety during their trips is essential. Alternative types of tourism will play a more important role and tourism with less human contact will certainly have high demand. Furthermore, after long lockdowns hiking will become more popular even if the pandemic continues. In the future, the main problem may be that certain age groups (37%) will avoid vaccination (an opinion research by Raffay, 2020).

We conducted a questionnaire in Budapest between 15 September and 21 September 2020. 230 people were interviewed. 60% of the respondents were females and 40% were males. The fear of the pandemic is more obvious among women who took into consideration the health of their parents along with the safety of their children. More than $\frac{3}{4}$ of the respondents spent their holiday in Hungary during the summer of year 2019 and only $\frac{1}{4}$ of them travelled abroad. The most popular destination to spend a holiday was Croatia, which was selected by 49% of the respondents.

The growth in the average length of stay of Hungarian tourists after getting out from the quarantine is shown in Figure 2. Based on the research, the share of the tourists who spend more than 1 week travelling grew significantly.

According to the obtained results, the car is of utmost priority among all the means of transport in Hungary during the pandemic (Figure 3). The words security and hygiene were used by the

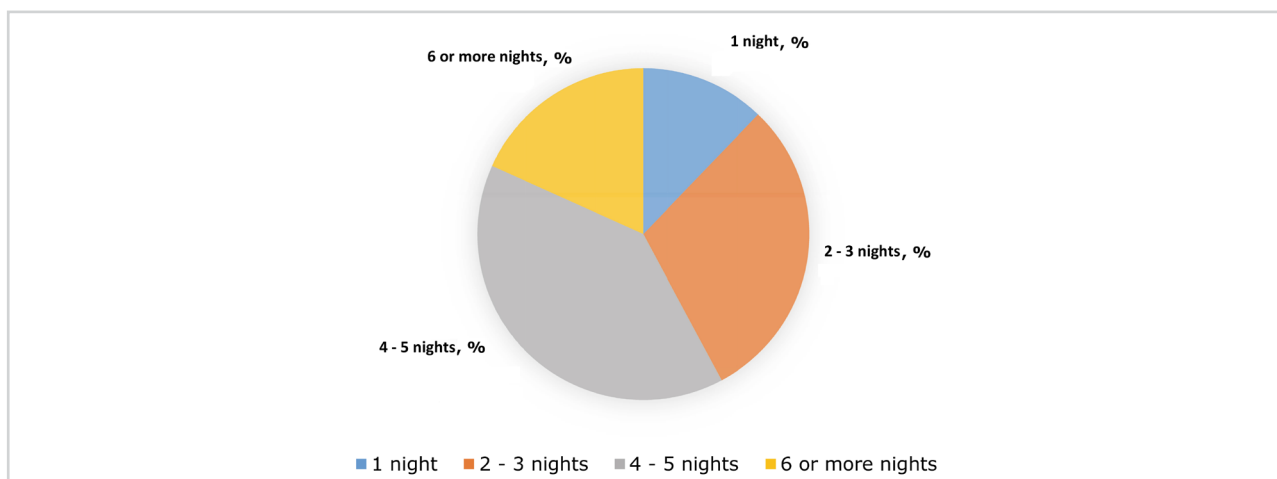


Figure 2:
Change in the average length of the tourist stay by Hungarians after getting out from the quarantine in 2020

Source: Compiled by the authors

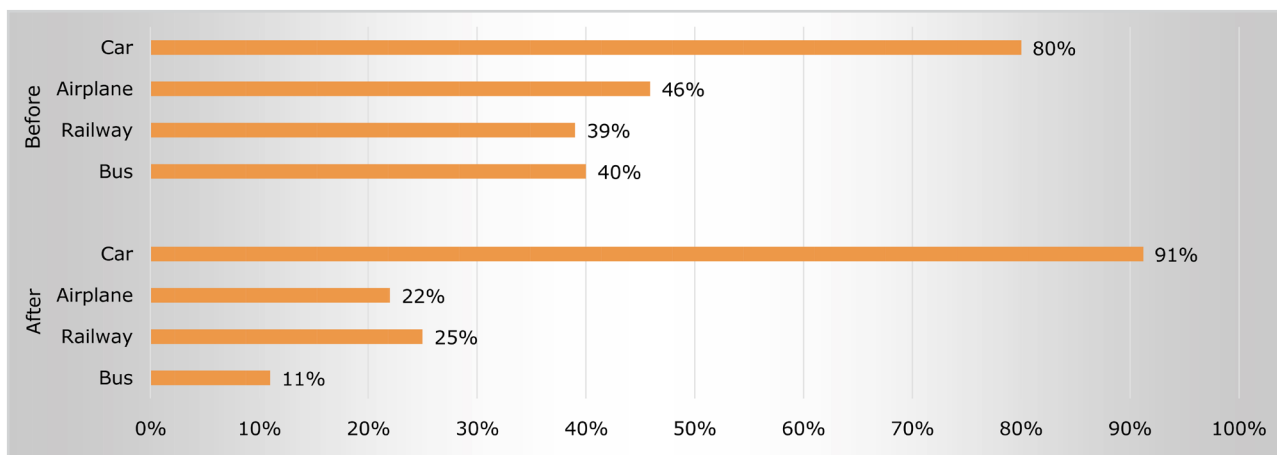


Figure 3:
Preferred means of transport before and after the pandemic

Source: Compiled by the authors

respondents to explain the relevance of this very means of transport. The main advantage of cars is reduced human contacts and interaction, which was considered by most of the respondents when they defined their own cars to be a good alternative to buses and railway. The bus was considered to be more dangerous than the railway, since the rule of keeping a 2-meter social distancing can be observed in trains than buses more easily. Airlines requested negative tests in many cases for passengers to be able to board planes; therefore the use of private cars can be seen to be an important factor leading to the recession of airlines.

According to Figure 4, it can be noted that the price is the determinant factor for the Hungarians when choosing an appropriate trip and related services. Board houses and hotels were the most popular among all types of accommodation. One quarter of all the respondents stated that they visited hotel which they had booked in advance they, which means that travellers knew that those accommodations complied with all required health protocols and recommendations, which, in its turn, gave them a feeling of safety and security. According to the viewpoints of both domestic travellers and inbound tourists, local hosts did not pay so much attention to health restrictions as hosts abroad did.

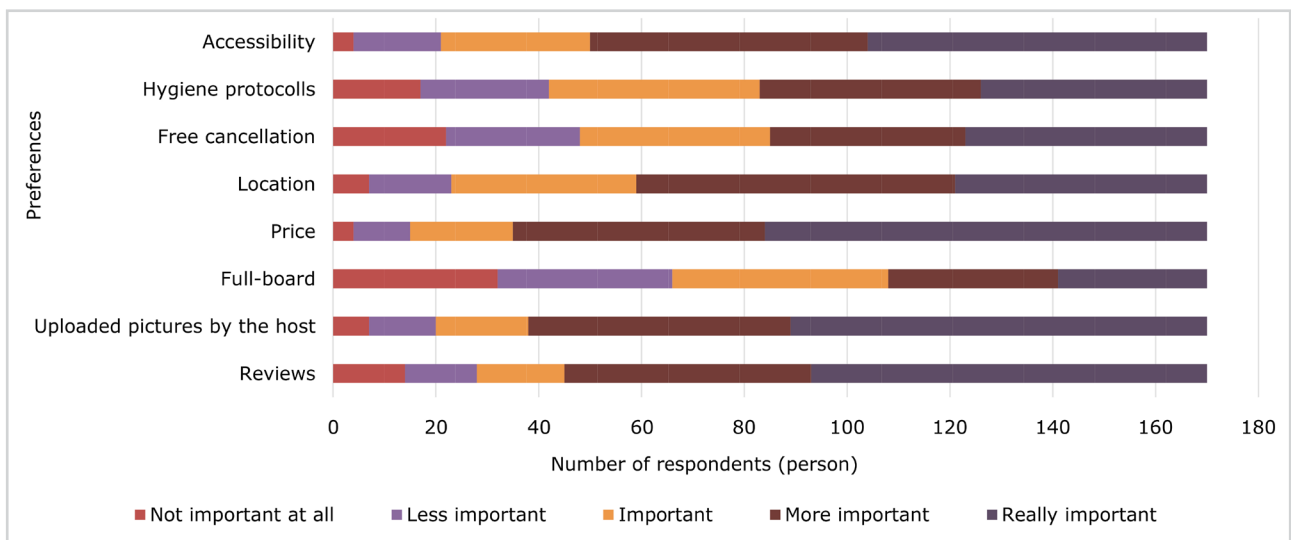


Figure 4:
Preferences regarding the choice of accommodation
Source: Compiled by the authors

5. Conclusions

Cycle-theories discuss the shifting of the focal point of the economic growth. In our view, the waves associated with tourism and hospitality are also cyclical, but the sector has reacted quickly to the changes it has experienced so far. Its ability to reproduce quickly is aided by the commitment of current governments to the development of the tourism industry, mainly because of its ability to improve the quality of life, generate foreign currency and absorb labour. Development periods are also limited in time, because they have to prepare for the summer months with innovations related to the diversification of demand and the renewal of tourism products. Therefore, *K*-waves (Kondratyev, 1980) are reaching tourism and the hospitality industry in the same way but their recovery from the recession will take a year or two. If cycle theories are to be accepted, the tourism industry must move towards sustainable tourism development.

Due to relatively low cost of living, Hungary is considered to be cheap to live in. The authors want to answer the question about how to transform the tourism.

Demand should be diversified in order to address tourists with a greater purchase power. Furthermore, demand has to be spread over the city and restructured in a regional framework.

In authors' opinion, presented decisions are not sufficient to handle the crisis. To solve the phenomenon (among practical techniques), the government should be able to make quick decisions. Demand needs to be diversified, and new sustainable tourism products need to be introduced (e.g. backpacker tourism). Visits to Hungary should be extended in space and time, and an interest in domestic tourists in the state should be increased by implementing strong marketing activities.

The results of the survey show that domestic tourism has strengthened due to the pandemic, with Lake Balaton being one of the dominant destinations on the tourism market. In our opinion, the feeling of safety will remain a critical factor in the decision making regarding the whole area of tourists services, especially when choosing a destination. Besides that, individually organized trips will become more important and popular.

Further, sustainable tourism can become an alternative at the EU level. It creates balanced territorial economic system, promotes independent development and enhances territorial control (BFT, 2020).

Figure 5 shows that a region can be competitive only if it protects the unity of the environment, society and creates preconditions for sustainable social development. In such a case, we can consider regions where all members of society (residents, residential companies and visitors) forms, builds and protects their environment in harmony with nature, which ensures their growth and well-being.

In order to maintain sustainability, we should pay attention to the improvement of living standards by strengthening such areas and creating favourable conditions for settlements remote from the sea.

Figure 6 shows that sustainable destinations are functional only if local residents, suppliers and tourists cooperate. If this collaboration is implemented, the sustainable environment will become accessible. Under the concept of sustainable environment we understand the usage of land in a sustainable way, preservation of biodiversity, reduction in pollution and protection of the environment to ensure sustainable improvement of the region, along with a high level of architectural planning and accessibility of the area.

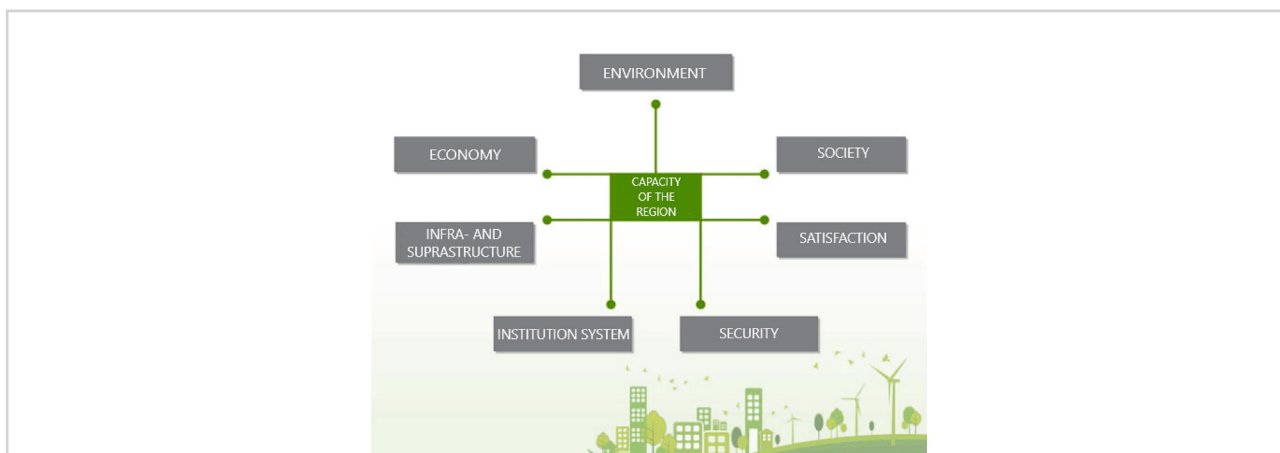


Figure 5:
Capacity network of touristic region
Source: Compiled by the authors

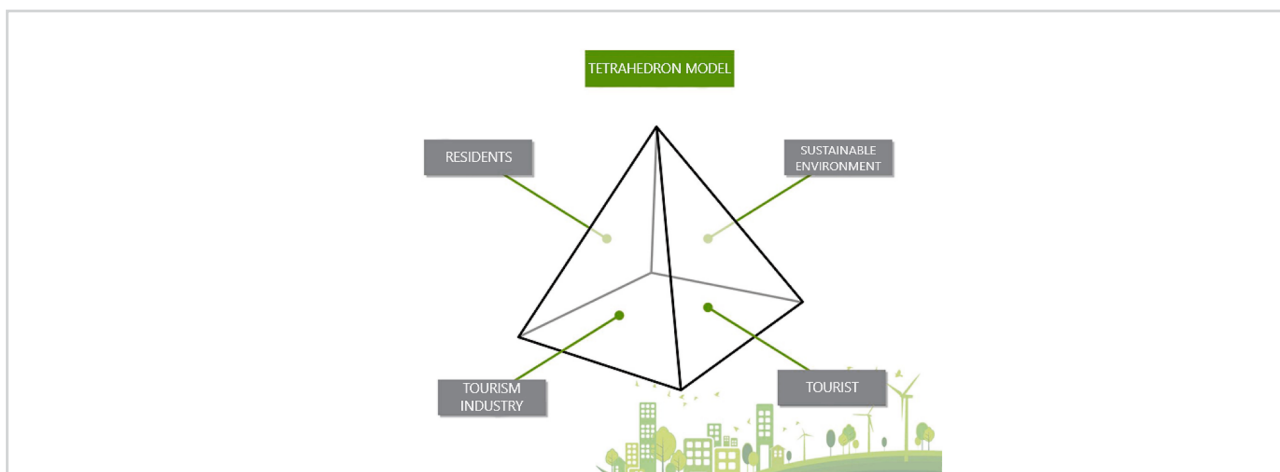


Figure 6:
The sustainable destination
Source: Compiled by the authors

Sustainable tourism supports the improvement of tourism economies. However, the growth in the quantity caused by the postmodern tourism may impact the qualitative, structured and diversified development.

More serious regulations should be adopted with the participation of local entrepreneurs; more consideration should be given to contactless technologies. Another option for the local population is to benefit from the income obtained from tourism. Institutional strengthening of the Destination Management Organizations should be implemented. More mood-improvement measures are required to be taken (the so called settlement ecology change), including renovation of schools, community houses and road rehabilitation.

In the post-COVID-19 period, the phenomenon of crisis searching for close-to-nature experiences should be replaced by creative tourism.

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