

# DESTINATION BRANDING THROUGH BUSINESS TOURISM

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## Abstract:

*Considering the fact that a rate of up to 70% of tourists visiting Romania have a professional motivation, the present paper intends to provide an overview of the advantages held by Romania for offering tourists the proper conditions for spending quality time in this emerging country. Within the present article, the authors provide to readers an overview regarding destination branding, business travel and the critical elements in achieving economic advantages over competing regions/countries; the article emphasizes the fact that -intelligently exploited-, business tourism can be an element of prosperity within the tumultuous period of time through which Romania and other emerging states are crossing nowadays. The results of this paper work are focused on the identifying, analysing and correlating the main factors that can influence a destination' development through its propulsion as a brand destination for business tourism. Generally speaking, the paper approaches aspects regarding business tourism. The methodology used in order to write the present article is limited to the collection and processing empirical data and information. In this regard, the literature in the field has been reviewed, so that the authors could identify and expose the importance of destination branding through business travel for sustainable development in Romania.*

**Keywords:** *business tourism, destination branding, Romania, tourism;*

**JEL codes:** M31, M30, Z19

## Introduction

Business tourism or professional tourism is an important component of the tourism industry, being considered the most stable segment, which can generate prosperity within the economy. The tourist accommodations which are able to adapt to the new requirements of potential customers, to the issues generated by the economical and social factors and, last but not the least, to the competition, will undoubtedly overcome the economical crisis.

This form of tourism is neither influenced by the fluctuation of the prices on the marketplace nor of the income of consumers, therefore, it is less affected by the economical crisis. Business tourism is in continuous improvement, especially in countries such as Romania, where the hotel industry has developed considerably since the country joined the European Union. Tourism industry has become a distinct sector of activity in various countries, thus several countries have become dependent on tourism and they rely only on their incomes generated by touristic activities. This fact is briefly illustrated by countries situated in the Caribbean regions, but also in others geographical regions.

Tourism industry cannot develop by itself. In order to accomplish tourists' requirements, tourism industry needs various goods and services which can be offered by the other branches of the economy. Consequently, a modern tourism cannot be reached as long as the economy does not offer the appropriate factors in order to do so.

As a consequence, tourism has the features of an interference branch, because between the tourism industry and the other sectors of economy can be noticed multiple connections. Thus, tourism development is conditioned by the other branches of economy and involuntarily it contributes to economic growth.

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## **1. Business tourism- concept and features**

The human desire to socialize and change opinions, ideas is as old as mankind. However, an industry which provides these kind of activities has only developed since the 20th century. The origins of this kind of tourism can be found in Europe and Nord America, but regions such as Asia and Pacific have developed considerably when it comes to tourism.

Rogers mentions the fact that countries which are currently in development are not strong enough in order to be able to generate international corporations as the ones produced by the classic players and also, they do not have developed an “intelligent market”. Business tourism is one of the most dynamic components of tourism activities and thus, the development of international relations and, especially, of the economic relationships can be clearly noticed in the increased number of requests for business travels (Davidson, 1992). Business tourism is concerned with people travelling for purposes which are related to their work. It represents one of the oldest forms of tourism, man having travelled for this purpose of trade since very early times (Davidson, 1994).

Business tourism, often called professional tourism, represents a form of tourism with commercial, governmental or educational purposes. In general, business tourism represents the travel of a tourist in a region located at least at 50 kilometres away from the tourists' usual environment. A business traveller makes day trips for business purposes and are therefore not true tourists in the conventional meaning of the term. In some cities over 40 % of the tourists are in a business travel (Ilieş, 2008).

This kind of tourism involves an interesting issue, because one cannot explain how business tourism has become a form of tourism as long as business travellers are still working and also, they are getting paid.

The main factors which have determined business tourism to be considered a form of tourism are the following: ( Postelnicu, 2008).

- The organization of this kind of travels involves tourism accommodation
- Since 2007, 20% of the international travels have had business purposes
- Business tourism represents almost ¼ of the touristic activities organised all around the world.
- Business tourism currently represents the most dynamic component of touristic activity.

In general, business tourism involves travels with work and business purposes and destinations can include small to larger meetings, including conventions and conferences, trade fairs, and exhibitions (Minciu, 2004, pg 14). Business tourism involves individuals who travel for a short period of time from their usual environment or work place to a different region and the travel expenses are paid by the company where the specific individual is employed ( Baltăreţu,2006).

Business tourism has its own forms of manifestation and motivations. The connection which establishes between the demand and the offer during fairs, exhibitions, business meetings, conferences can be perceived as a source of motivation for business tourism. A business travel can have the following purposes: sales and acquisitions; meetings, conferences, fairs and exhibitions, governmental purposes, foreign language courses or training ( Morariu, 2006).

Moreover, business travellers have to accomplish the requirements imposed by the business travel (destination; period) while tourists have the freedom to choose the destinations of the holiday and its period. However, the importance of business tourism has increased considerably and thanks to the fact its purpose is represented by work and business, it is not influenced by the local weather. What is more, individuals who travel for business purposes are used to visit cultural touristic objectives and also, they attend the best hotels and restaurants. In a few words, business tourism provides a source of income which is considered to be of utmost importance for the local economy.

## 2. Forms of business tourism

Business tourism is a sector which is often forgotten due to the fact that tourism is involuntarily associated with beautiful weather. Business travels can be divided into two categories : internal and external.

Internal business travels involve the employees of a company and their purpose is represented by the motivation of the staff, while external business travels usually involve training courses, conferences, exhibitions. Professional travels can be analyzed according to their purpose : participation to a fair; an exhibition; a scientific, political or cultural event (Zaharia,2000).

Business tourism or professional tourism is called on the market MICE (Meetings, Incentives, Conferences and Exhibitions), also having this name in official documents of international organizations such as the United Nations World Tourism and World Travel & Tourism Council.

Therefore, business tourism can be classified into the following categories ( Minciu,2001):

a) **General business tourism** which refers mainly to the individuals who work, for a short period of time, in a region away from their usual environment (for example journalists). In general, these are individual travels and can have the following purposes: sales of products; find the solution to a computer problem encountered in the company of a client; visiting a branch of the multinational company.

The components of the MICE segment are the following:

b) **Tourism of meetings**, involves the participation to a certain event such as conferences, congresses, meetings and it is considered one of the most common forms of business tourism. Therefore, tourism of meetings is often defined as an organised event which gathers individuals, who share opinions regarding a certain subject.

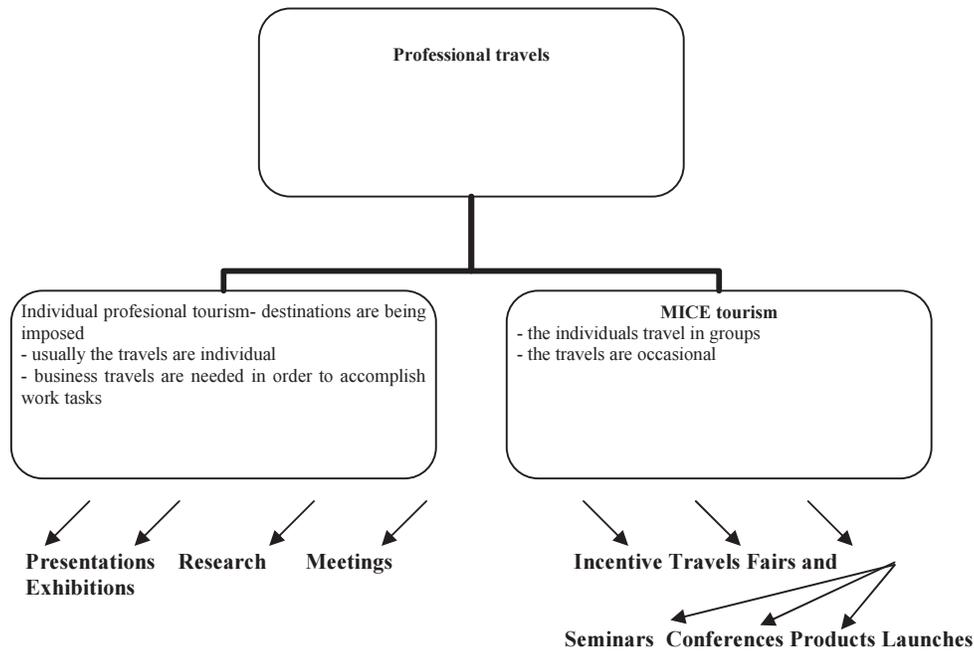
The qualitative tendencies registered on the tourism market segment refer to the pronounced segmentation of business tourism, the growth in institutionalisation and the modification in importance of the issues discussed during international meetings ( Webber et al. 2002).

c) **Fairs and exhibitions** are defined as “ presentations of products and services which have the purpose to inform the clients and also, to persuade them to buy those products/ services”. Another definition of fairs refers to their applied side, namely to presentations of products and services, which are organised with the purpose of inducing a sale or to inform the visitors ( Davidson, 1994).

d) **Incentive travel** is a short holiday or trip, organised for the employees of a certain company, in order to award them and also, to motivate them. This branch of business tourism is extremely dynamic, being a reward for professional performance and therefore it represents a link between business tourism and leisure tourism (Davidson et al, 2003).

## 3. The entities within business tourism

The request for business tourism is influenced by the following factors: the frequency of the travels; the number of requests for a certain destination; the number of requests for certain hotels; age; gender; nationality; the purpose of the travels. The buyers of touristic business services are : companies and the public sector. Companies are obviously the main consumers who perceive business tourism as being vital for their activity. Also, the researchers and the representatives of the government rely on business tourism as they have to travel in order to accomplish tasks required by their jobs, therefore they become important customers on the tourism market (Swarbrooke,2001).



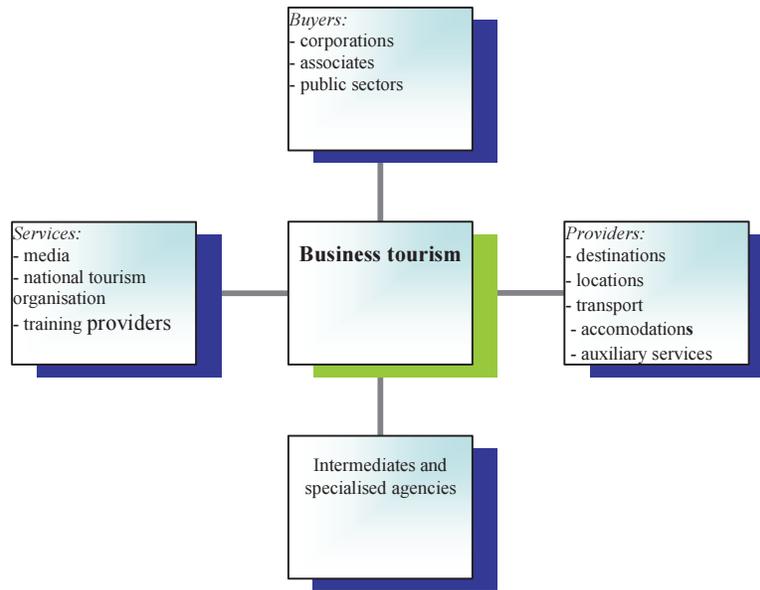
**Figure nr. 1: The structure of professional tourism**

Source: after Davison, Rob, *Business Travel, Conferences Incentive Travel, Exhibitions, Corporate Hospitality and Corporate Travel*, Pearson Education, 2003.

The public sector is also present on the MICE market, where it is a supplier and also an intermediate. For instance, a variety of centres of conference are the properties of the local authorities and the marketing organisations are exclusively financed by the public and the private sector. The partnership between the public and the private sector is necessary in order to assure the success of every business travel no matter its destinations. This point of view is also shared by Dwyer and Mistilis specialists ( quoted by Rob Davidson and Beulah Cope in the book „Business Travel”) who argue that the development of MICE tourism relies on the partnership between public and private sector. The factors which influence business travels are distributed according to destinations and regions preferred by tourists.

The main industries which organise events for business tourism are the following : energetic industry; medical industry; IT industry and financial services. The research shows that business travellers might have a variety of professions and even so, they have little knowledge about business travels. A research of the UK Conference Market Survey has proved the fact that the events in the corporatist sector are planned days or weeks before the specific event (and not months or years before); 50 % of the people who are satisfied after buying a product, become trusty clients. Countries which have encountered an increase in the number of requests for business tourism are the followings: Nord Korea; Taiwan. The offer for professional tourism is a complex phenomenon thanks to the various forms of professional travels, each of them having its specific chain of offers. The providers from the business tourism market are located in large urban centres, where are the headquarters of the companies and also, the hotels, universities, the research institutes and airports which are of utmost importance for the MICE tourism.

The offer can be divided into four categories:



**Figure nr. 3: The offer for professional tourism**

Source: Adapted after Davidson, Rob, *Tourism in Europe*, Pitman, London 1992.

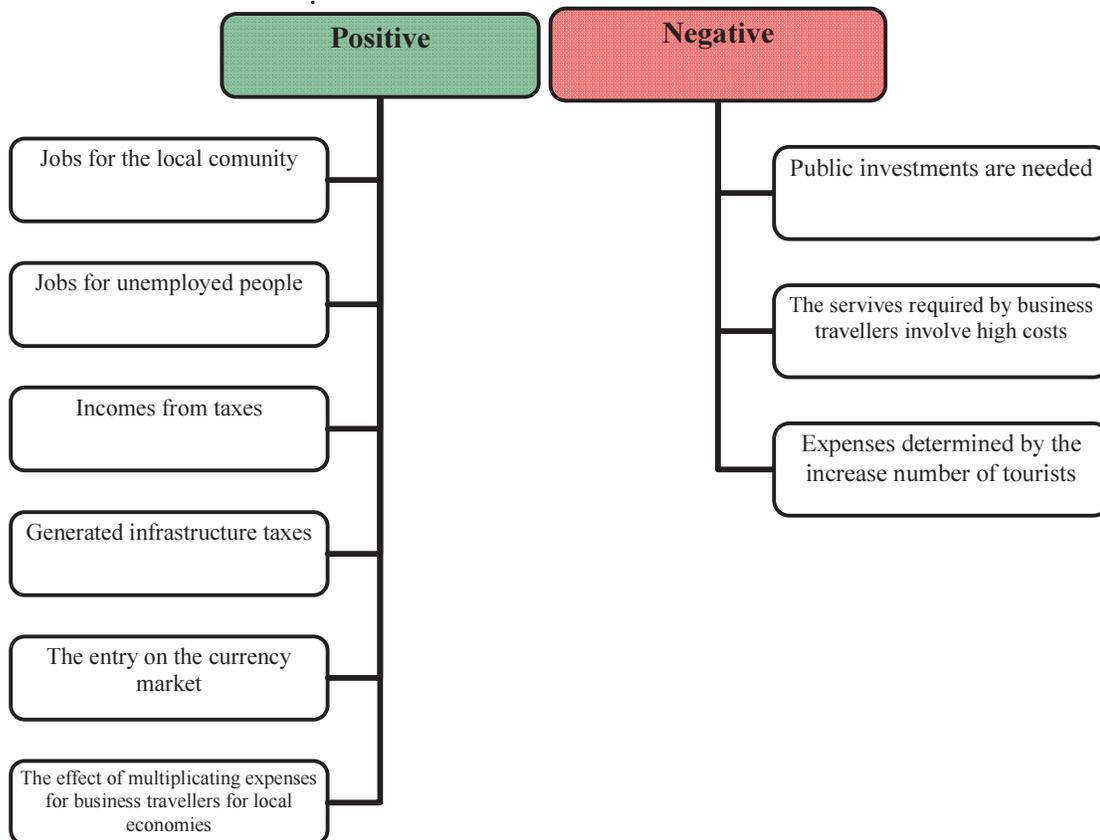
The locations where professional events (conferences, reunions, courses, incentive travels) take place, are represented by hotels and motels, situated to the main road, but also unusual locations such as historical buildings, thematic parks, trains, museums. The tourism accommodation is generally commercial, just a few business travellers choose the accommodation provided by friends or family. Hotels offer a variety of services such as internet connection, business centres and many more in order to attract the attention of business travellers (Isac, 2008).

The means of transport are considered to be vital for business tourism as they not only ensures the travel for tourists, but they also provide a location for business meetings (for example trains in France). The airlines have acknowledged the importance of this sector and therefore, they designed a special class for business travellers, providing special services such as internet connection.

#### **4. The marketing macro environment of MICE industry and the impact on the natural environment**

The business tourism has a positive and also a negative impact on the environment.

Many countries and regions try to attract business travellers, because they express the tendency to spend a higher amount of money in comparison to a regular tourist. Therefore, the positive economical impact exceeds the economical expenses. From the social point of view, the negative impacts prove to be quite numerous. A lot of problems are encountered in regions where the locals are not so wealthy as the business travellers, especially when the local authorities raise funds for airports, centres of conference, neglecting the needs of the locals (Swarbrooke, 2001).



**Figure nr. 5: Economical impact of business travels**

Source: Swarbrooke, John, *Business travel and tourism*, Butterworth-Heinemann; 1st edition, 2001

### Conclusions and proposals

Professional tourism is not meant to be consumed as a product (itself), but to be used in order to obtain a useful effect that may materialize itself into the efficiency of a company, in the qualification of the employees of a company, to create new sales opportunities for the enterprise, exchange of information, cooperation in research and participation to cultural events etc.

Since the market is always changing, increased competition among bidders of domestically and internationally tourism products is increasingly fierce and the development of a stable clientele is the most important.

The main requirement for this major goal is to provide superior quality conditions for providing tourism services, creation of elements likely to generate favorable impressions among customers (and keeping them).

Like any research, the present study bears some limits such as an extensive bibliography which leads to the impossibility of studying in detail all the concepts.

Beginning with the present study, based on the expertise gained by analysing it, I established some possible future research directions/alternatives:

- Conducting a marketing research for determining what are the other elements that influence destination brand;
- Conducting a marketing research in Romania within companies, to see if they offer to their employees such elements like teambuildings and what would be the services expected to be received

- Identification of possible business client typologies, starting from their perception of value, taking into consideration that it is subjective and personal.

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