

The business travellers' motivation and behaviour

Andreea MARIN-PANTELESCU¹

Lecturer Ph.D., Bucharest Academy of Economic Studies

ABSTRACT

An understanding of way people buy business trips, why they choose one particular company over another, and why they choose to travel when they do this is vital to those who work in the tourism industry. Yet curiously, we know relatively little about tourism motivation because the reasons for their choices are little understood. This is not entirely the result of a lack of research, because many companies are doing research regarding the tourists' behaviour, but as this is 'in house' research, the information is confidential to the company concerned, and seldom becomes public knowledge.

The purpose of this paper is to explain the business travellers' motivation and behaviour by making a difference between leisure and business tourists' specific motivation and behaviour. The paper also presents the world and national evolution of these two particular segments of travellers and includes comments regarding their future perspectives.

KEYWORDS

motivation, business travel

JEL Classification

L83, M1

Introduction

According to (Middleton, Clarke, 2001) business travel is defined as "work related travel to an irregular place of work" and according to Swarbrooke and Horner (2001) business travel represents "the practice of people travelling for purposes related to their work". It is on the rise especially with foreign business markets opening up. A business traveller is defined as "a traveller whose expenses are paid by the business he works for" (Pender, 2005).

Principal characteristics of business tourism include the following (according to Business Tourism Briefing. Overview of the UK's Business Tourism Industry):

- it is at the high quality, high yield end of the tourism spectrum;
- business tourism is year-round, peaking in Spring and Autumn but still with high levels of activity in the Summer and Winter months, thus sustaining permanent, full-time employment;
- it complements the leisure tourism sector, relying on much of the same physical infrastructure, and bringing business to destinations such as seaside resorts which would otherwise be dependent upon a relatively short Summer season for their economic health and prosperity;
- investments in business tourism facilities lead to the regeneration of urban and inner city areas;
- many of the investments in a destination's infrastructure designed primarily for the business tourist (hotels, transport and communications facilities, restaurants, attractions and amenities, even

¹ Contact author marindeea@yahoo.com

conference auditoria) provide benefits which can also be enjoyed by the leisure tourist and the indigenous population;

- it is resilient, being much less affected by economic downturns or by disasters such as the Foot and Mouth Epidemic than leisure tourism and other sectors of the national economy;
- business tourism stimulates future inward investment as business people see the attractions of a destination while travelling on business or to attend a conference, exhibition or incentive, and then return to establish business operations there. They can also become unpaid 'ambassadors' for a destination by communicating to colleagues and others their positive impressions and favorable experiences;
- the higher quality of personal service demanded by the business tourist requires more labor-intensive service suppliers, which in turn translates into higher levels of job creation;
- research (Conference Delegate Expenditure Survey 1998) suggests that approximately 40% of business travelers will return with their families as leisure visitors to destinations they have enjoyed visiting on business;
- business tourism is sustainable, offering higher added value with fewer negative environmental impacts than mass leisure tourism. Furthermore, conference and incentive visitors are together as a group, so that it is possible to inform and educate them about the local community in which their event is being held in order to maximize the enjoyment of their stay but also to minimize any disruption and possible inconvenience to the local resident population. It is very much harder to manage, in the same way, the impact of individual leisure travellers on a destination.

As the world gets smaller and communication technology brings people closer, businesses are branching out all over the globe. International business travel has become a necessity of business. Corporations can take on the expense of creating an entire travel department, but most opt to outsource the task to a business travel agency.

Business travel extends the job duties beyond the normal workload and commute. The business pays the tab or reimburses the employee. Business travel agencies help by selling a complete travel package that would account for accommodations on the trip, transportation to get to business meetings, group packages and vacation incentives for employees. While on a business trip, you are expected to conduct yourself as if you were in the office. On trips, you represent the company.

Business travel isn't always used for meeting clients. It is also used as a method to reward employees for going the extra mile. Corporations hire commercial travel agents to create travel gift programs. In the book "The Tourism System," Robert Christie Mill states, "Corporations pay for the incentive travel service either through a mark-up on the incentive package or on a fixed-fee basis."

Travel agents have working relationships with travel service providers that can translate into financial savings. Businesses save time by leaving the calling, negotiating and coordinating to an agent. Agents have the knowledge about the destination, when the business traveller often doesn't. One disadvantage is that some agents work under exclusivity contracts and don't shop around for better deals.

Analysis of business tourism motivations, behaviour and dimensions

The business travellers are less price sensitive and more concerned with status (Holloway, 2004). They are motivated principally by the need to complete their travel and business dealings as efficiently and effectively as possible within a given time frame - this reflects their company's motivation for their trip.

They, also have personal agendas to take into account. Through the eyes of their company then, they will be giving consideration to issues such as speed of transport and convenience in getting to their destination, the punctuality and reliability of the carrier, and the frequency of flights so that they can leave at a time to suit their appointments and return as soon as their business is completed.

Decisions about their travel are often taken at very short notice, so arrangements may have to be made at ant time of the day or night. Travel needs to be arranged on weekdays rather than weekends - most business people like to spend their weekends with their family.

Personal motivation enters the scene when the business traveller is taking a spouse or partner with him, and when leisure activities are to be included as an adjunct to the business trip.

A business person may also be interested in travelling with a specific carrier in order to take advantage of frequent flyer schemes which allow them to take a leisure trip with the airlines when they are accumulated sufficient miles (Marin-Pantelescu, 2009). This may entail travelling on what is not the cheapest or most direct route.

Factors like these can cause friction between the traveller and their company, since the decision about whether to travel, and how and when, may not rest with the travellers themselves, but rather with a senior member of the company, whose concern may have more to do with ensuring the company receives value for money than any considerations of comfort or status.

Top three expense categories for business travel are airline expenses, hotel expenses and food and beverage expenses (Tribe, 2005).

Many airlines began to concentrate on providing premium service on long haul flights especially for the first and business class business traveller with the development of more sophisticated business traveller needs over the last 15 years.

Airlines have also been working on tools that benefit the business travellers such as: Improved and competitive mileage programs, quick check in and online check in, lounges with broadband connection, etc.

Hotels are not far behind. They are also on the competition for the business travellers by offering flexible points programs, broadband connection in all rooms and fast check in and check out services (Wearne, Baker, 2002).

Business travel has been growing at a high speed for the last 20 years, from 60.4 million arrivals in 1990 to 141 million arrivals in 2010, with an increasing rate of 133%, as can be observed in table no.1.

World Arrivals by purpose of visit

Table 1

	International Tourist Arrivals (million)		Share (%)	
	1990	2010	1990	2010
Total	437.8	940	100	100
Leisure, recreation and holidays	243.5	480	55.6	51
Business and professional	60.4	141	13.8	15
VFR, health, religion, other	86.0	253.8	19.6	27
Not specified	48.0	65.8	11	7

Source: UNWTO, Tourism Highlights, 2011 Edition

While internet booking engines have become the first destination for around 50% of leisure travellers, business travellers, especially with the need for itineraries that may include more than one destination, have still found that a knowledgeable travel agent may be their best resource for better ticket pricing, less hassle and better air and land travel planning. For larger business travel accounts these travel agents take on a travel management role, and are referred to as Travel Management Companies, providing services such as consultancy, traveller tracking, data and negotiation assistance and policy advice (Makens, 2005).

Recent trends in this market have extended to the implementation of Self Booking Tools which allow automated booking of trips within company policy, an increase in the inclusion of Duty of care practices in the booking and monitoring process and more consideration for the environmental impact of business travel.

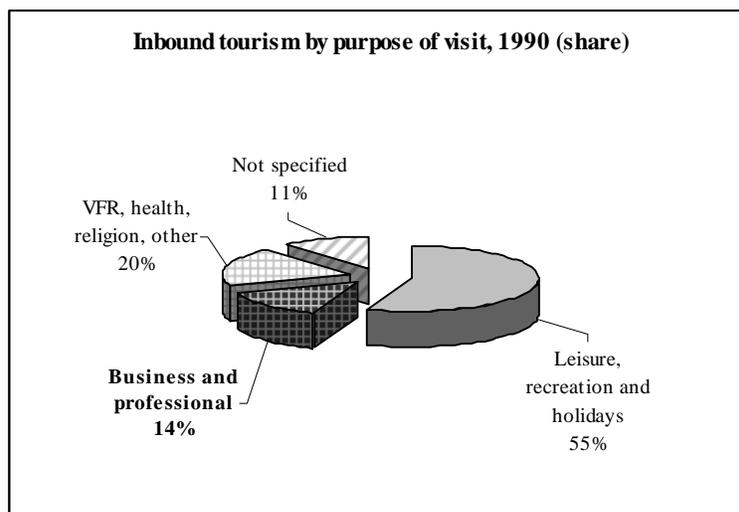


Fig. 1 Inbound tourism by purpose of visit in 1990 (share)
Source: Calculated after UNWTO, Tourism Highlights, 2011 Edition

Analysing world tourism arrivals between 1990 and 2010 it can be observed an increase of the total international tourist arrivals from 437.8 millions in 1990 to 940 millions in 2010. The fact is that the world arrivals more than doubled in this period of time.

Regarding world arrivals by purpose of visit in 1990 a half of the total were travelling for leisure, recreation and holidays, and only 13.8% for business and professional activities.

In 2010, travel for leisure, recreation and holidays accounted for just over half of all international tourist arrivals (51% or 480 million arrivals). Some 15% of international tourists reported travelling for business and professional purposes and another 27% travelled for other purposes, such as visiting friends and relatives (VFR), religious reasons and pilgrimages, health treatment, etc. The purpose of visit for the remaining 7% of arrivals was not specified.

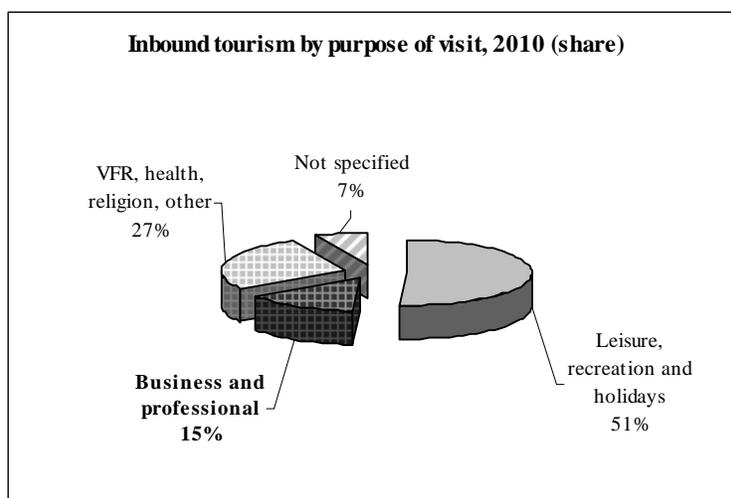


Fig. 2 Inbound tourism by purpose of visit in 2010 (share)
Source: Calculated after UNWTO, Tourism Highlights, 2011 Edition

Analysing the number of tourist travels and overnight stays, by main purpose of the travel in Romania from the *Selective statistical survey "Tourism demand of the residents in Romania"* it can be notice that the business and professional purpose tourists segment increased by 11% between 2008 and 2009, as the number of the business travellers overnights stays raised to 8% in the same period of time.

Number of tourists, travels and overnight stays, by main purpose of the travel in Romania

Table 2
number

	Tourists		Travels		Overnight stays	
	2008	2009	2008	2009	2008	2009
Total	9772205	11288518	11059548	13018929	60956938	62225689
<i>Holidays¹⁾</i>	9114542	10541406	10274590	12163663	54765596	56027724
<i>of which:</i>						
<i>Visits to friends and relatives</i>	5346616	6241880	6255300	7476708	31264016	3132691
Business and professional purpose	254850	282864	358885	363393	2193087	2376902
Share (%)	2.61	2.51	3.25	2.79	3.60	3.82
<i>Other purposes (treatment, pilgrimage)</i>	402813	464248	426073	491873	3998255	3821063

1) Including leisure, amusement, visits to friends and relatives

Source: Selective statistical survey "Tourism demand of the residents in Romania".

In Romania the most required for the business tourism were Bucharest and equally the resorts from Poiana Brasov and Valea Prahovei, followed by Constanta and Brasov, and completed by the Transylvanians' and Moldova's' cities.

According to ANAT, around 17% of the business people whom come in Bucharest returns as tourists along with their families.

Only 3% of the total number of tourists are travelling in Romanian, 2009 for business and professional purpose, a lot of them choosing the leisure and visiting relatives and friends as main purpose of travel in Romania, 2009 (93%).

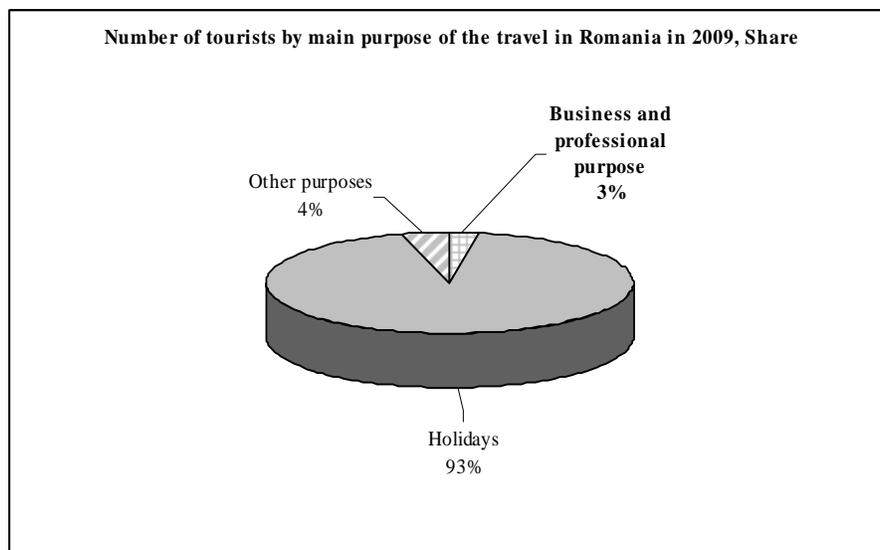


Fig. 3 Number of tourists by main purpose of travel in Romania in 2009 (share)

Source: Calculated after *Selective statistical survey "Tourism demand of the residents in Romania"*, Romanian Yearbook 2010

Another trend remarked in this area is the increased of the average amount spent during the business stay in Romania, from 160-180 euro per day to 300 euro per day, level closed with the ones in the new European member countries.

In the last few years Romania's business tourism has taken a big boost because the foreign companies had chosen Romania to organize their conferences and congresses with hundred of participants in five stars hotels. The costs are cheaper than those in other European countries making Romania a perfect destination for business tourism. There was an upward trend in the business and conference tourism sector in Romania by 15 percent in 2010.

Conclusions

It could see that the business travellers are less price sensitive and more concerned with status. They are motivated principally by the need to complete their travel and business dealings as efficiently and effectively as possible within a given time frame - this reflects their company's motivation for their trip.

It can be mentioned that business travel has been growing at a high speed for the last 20 years, from 60.4 million arrivals in 1990 to 141 million arrivals in 2010, with an increasing rate of 133%. Also, in 2010, travel for leisure, recreation and holidays accounted for just over half of all international tourist arrivals (51% or 480 million arrivals). Some 15% of international tourists reported travelling for business and professional purposes and another 27% travelled for other purposes, such as visiting friends and relatives (VFR), religious reasons and pilgrimages, health treatment, etc. The purpose of visit for the remaining 7% of arrivals was not specified.

Analysing the number of tourist travels and overnight stays, by main purpose of the travel from the *Selective statistical survey "Tourism demand of the residents in Romania"* it can be notice that the business and professional purpose tourists segment increased by 11% between 2008 and 2009, as the number of the business travellers overnights stays raised to 8% in the same period of time, these representing a good perspective for the Romanian business travel.

References

1. ANAT (Asociatia Nationala a Agentiilor de Turism din Romania), Turismul de afaceri din Bucuresti este limitat de numarul locurilor de cazare disponibile, available at http://www.anat.ro/studii/turismul_de_afaceri_din_bucuresti_este_limitat_de_numarul_locurilor_de_cazare_disponibile.html, accessed 04.11.2011
2. Business Tourism Briefing. Overview of the UK's Business Tourism Industry, available at www.businesstourismpartnership.com/pubs/briefing.pdf accessed 04.11.2011
3. Holloway J. Christopher, *Marketing for Tourism*, Prentice Hall, Fourth Edition, Harlow, England, 2004
4. Makens James C. (2005), *Marketing for Hospitality and Tourism*, 4th edition, Prentice Hall, 2005
5. Marin-Pantelescu Andreea, (2009), *Diversificarea si personalizarea serviciilor turistice in contextul globalizarii*, Editura ASE, Bucuresti
6. Middleton Victor, Clarke Jackie (2001), *Marketing in Travel and Tourism*, Third Edition, Elsevier Butterworth- Heinemann, Great Britain
7. Mill Robert Christie; Morrison Alastair (2002), *The Tourism System*
8. Pender Lesley (2005), *Marketing Management for Travel and Tourism*, Stanley Thorne Publishers, Great Britain
9. Swarbrooke John; Horner Susan (2001), *Business travel and tourism*, Butterworth-Heinemann, Oxford
10. Selective statistical survey "Tourism demand of the residents in Romania", Romanian Yearbook 2010
11. Tribe John (2005), *The economics of recreation, leisure and tourism*, Third edition, Elsevier, Great Britain
12. UNWTO, Tourism Highlights, 2011 Edition
13. Wearne Neil, Baker Kevin (2002), *Hospitality Marketing in the e-Commerce Age*, Second Edition, Hospitality Press
14. Williams Sam, The Definition of a Business Travel Agency, available at http://www.ehow.com/about_6551695_definition-business-travel-agency.html#ixzz1fYyYPqAo accessed 04.11.2011