

## Artykuły

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### Relevance of Leisure for Business Tourism: A Portuguese Case Study

**Keywords:** business tourism, leisure tourism, destination attractiveness, Delphi

#### Abstract

At destination areas, business tourism should be seen through an integrative perspective to promote and to maximize the overall tourism experience of business travellers. Not only venues are important, but also the natural, cultural and historical assets are critical to increase attractiveness and enhance the potential for capturing events and visitors. This article aims to explore the relation between business tourism and the cultural resources and tourism potential in a specific geographical area in the Central region of Portugal. A Delphi study was conducted among local stakeholders and were identified some proposals about the main assets and measures to be developed.

#### Introduction

Tourism industry is characterized by a broad range of motivations which are in the basis of human mobility. People travel in their holidays, to relax and have fun, to learn, to get to know different cultures, to visit friends and relatives, to participate in health and wellness treatments, for religious purposes, among other motives. People also travel because of work and businesses. In fact, this is one of the two main tourism types that UNWTO uses to classify global tourism. In 2008 UNWTO presented *2008 International Recommendations for Tourism Statistics* and suggested that classification of tourism trips according to motivation should be divided in two main segments: 1) Personal [Holidays, leisure and recreation; Visiting friends and relatives; Education and training; Health and medical care; Religion/pilgrimages; Shopping; Transit; Other]; and 2) Business and professional [UNWTO 2010]. From this moment, the question frequently asked in hotels and airport check-in desks, 'leisure or business?' makes even more sense.

Business tourism is a fast growing lucrative market segment. In 2018, 12.937 associative meetings were conducted worldwide representing near 4.9 million business tourists travelling around the globe just to participate in this specific type of business event [ICCA 2019]. Portugal is well positioned regarding value, individuality and a mid-range capacity for conferences and events. Relevant business events have been taken place in Portugal, such as the International Rotary Convention, in 2013, which included around 30.000 participants and the Web Summit held since 2016 and that will remain until 2028 involving around 70.000 participants. In 2018, Portugal hosted 308 meetings accounting for about 113.000 participants and reached around 68 million euros with registration fees [ICCA 2019]. These numbers reflect the important economic impact of the business events and reinforce the growth tendency over the last two decades. Portugal reached the world's top 11 and Europe's top 6 of the most popular destinations for international events. Lisbon dominates as a location,

reaching an impressive 6<sup>th</sup> position in the worldwide cities context upon receiving 152 meetings [ICCA 2019]. Porto, the second largest Portuguese city, reached the 22<sup>nd</sup> position by hosting 71 meetings [ICCA 2019].

Due to specific characteristics of this segment, destination areas are increasingly paying attention to this market. Business tourism represents an important weight in the local and regional economy and corresponds to a tourist segment with great potential of development. Low seasonality, relatively controlled environmental impact, revenue increase for hotel rooms and other venues, revenue increase in food and beverage (lunches, gala dinners, coffee breaks), enhancement of leisure activities and the relative resistance to economic crisis, are some of the factors that make business tourism so attractive for destinies [Swarbrooke, Horner 2001; Davidson, Cope 2003; Rogers 2008; Duffy, McEuen 2010]. It is one of the most important segments of tourism market segmentation, responsible for promoting a wide range of activities, ranging from venues and specific services (support factors), such as congress and exhibition centres, to complementary activities related to transport, catering, hospitality, cultural and sports animation, small and large commerce, among others. This means that not only accommodation, venues, accessibilities and local support organizations (such as the Convention & Visitors Bureaux) have an important influence in site selection for conventions and other business events, but also the tourism attractiveness at destinations, related to cultural, recreational and leisure activities that are possible to experience before, during or after the business events, play an important role in the decision making process. For this reason, business tourism should necessarily consider the complementary relationship with other tourism products that must be valued to increase attractiveness of the destination and hence contribute to local development.

Therefore, it will not be surprising the growing attention that local stakeholders (public and private) have dedicated to this market. Moreover, this segment is closely associated with destination management processes and the development, planning and definition of tourism destination policies, which makes its presence a factor of competitiveness and sustainability.

This paper aims to highlight the tourism potential of a specific territory in the Central Region of Portugal, bounded by the cities of Coimbra, Aveiro and Viseu [Figure 1.] combined with local venues, which provides a favourable environment for the development of business tourism in this territory.

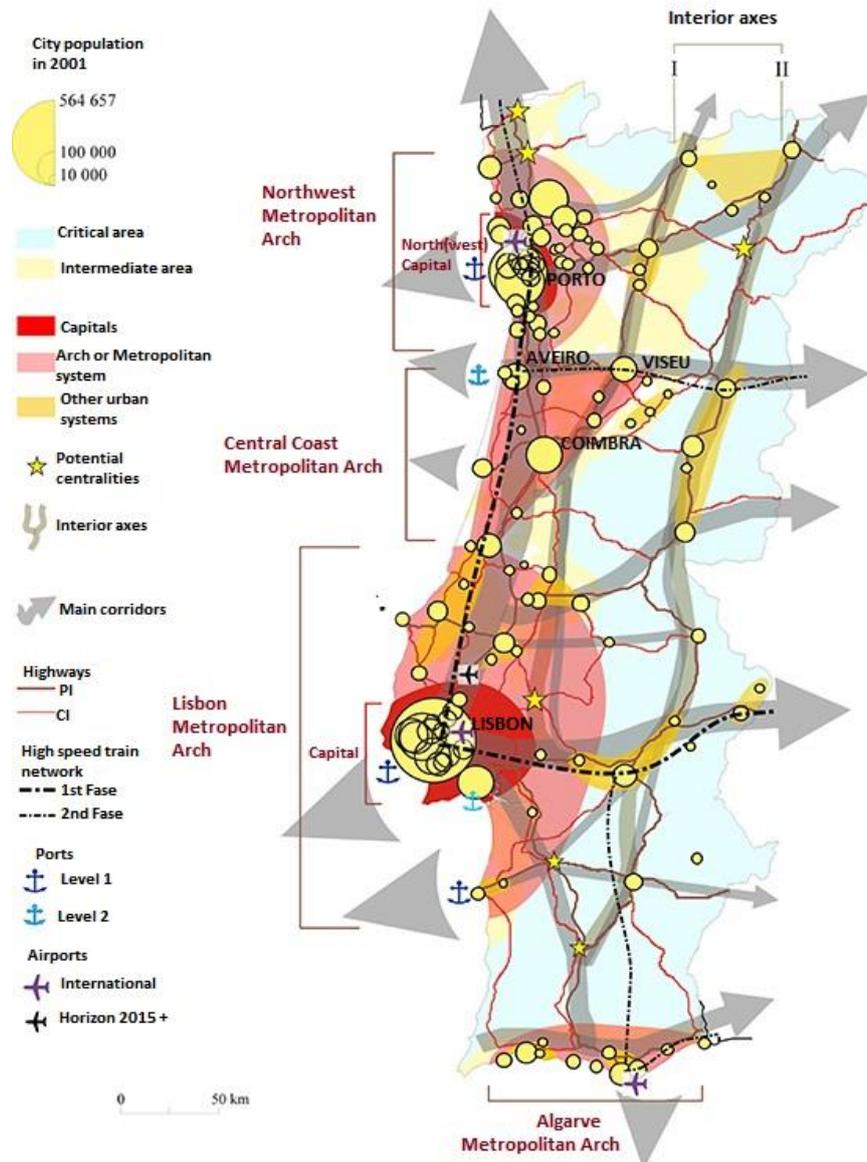


Fig. 1: Territory under study

Source: Adapted from National Program of Regional Planning Policy [PNPOT 2006]

## Literature review

The growing attention that business tourism has received lately fosters the need to better understand how the tourism destinations have been working on this segment. Due to the increasing number of business events being held globally and the growing number of candidate cities to host the events, destination managers have to find new ways to increase competitiveness, especially through innovation and creation of complementary activities that enhance the overall business tourism experience [Colombo, Marques 2019]. There seems to be a consensus regarding the importance of the overall tourism experience when it comes to business tourism and business events [Alanzeh et al. 2019; Falk, Hagsten 2018; Abulibdeh, Zaidan 2017; Skinner, 2017; Ahn, Kim, Lee 2016]. It is important to pay attention not only to the specific destination attributes (e.g. conference venues, business hotels, transportation) but also to the complementary activities that the destination has to offer (leisure and recreation activities).

In this context, Lichy and McLeay [2018] explored the new trend ‘bleisure tourism’ which means integrating leisure activities during a business trip. For Colombo and Marques [2019], the relationship between business and leisure can be even more specific through the combination of different characteristics and activities in the same event, resulting in hybrid or symbiotic events (e.g. a trade fair that encompasses a music concert). Destinations should focus on the ‘uniqueness’ context of the business events [Colombo, Marques 2019] and provide memorable experiences to the business events attendees, enhancing the brand name recognition [Ahn, Kim, Lee 2016]. The development of marketing policies by CVB [Lee, Lee, Jones 2016] and more specifically, the network capacity and collaborative relationship of local stakeholders [Kitchen 2017] are of strategic importance to foster the destination capacity and competitiveness. Nevertheless, other important aspects influence the selection of a business event destination. Crouch and Ritchie [1998], in their breakthrough work about determinants for convention site selection identified the following determinant factors: accessibility, local support, extra-conference opportunities, accommodation facilities, meeting facilities, information and site environment, potential risks (related to possible strikes at destinations or natural disasters), profit opportunities, association image promotion (in case of association meetings) and destination novelty. Hankinson [2005] indicated eight clusters of brand image attributes from a business tourist perspective: physical environment, economic activity, business tourism facilities, accessibility, social facilities, reputation, people’s characteristics and destination size. Particularly relevant for business tourism are functional attributes such as the quality and choice of conference and hotel facilities. Tsui et al. [2017], found two economic factors (economic policy uncertainty index and bilateral trade volumes) and two noneconomic factors (flying distance and total direct flight seats) as statistically determinants in explaining business tourism flows. More recently, Carvalho, Márquez and Diaz-Méndez [2018] identified what they called ‘controllable’ and ‘uncontrollable’ determinants of business tourism destinations. Under the uncontrollable factors, they pointed climate and natural disasters, natural environment, physical, cultural and linguistic distance, physical environment building (architecture, buildings and historical monuments), size of destination and cultural elements. As controllable determinants they identified monetary vacation costs, accessibility, accommodation and meeting equipment, country’s information, dynamism of leisure tourism, urban, commercial and economic regeneration, security, opportunities for cultural and recreation activities, degree of financial and trade opening, dynamism of the industry, trade and services, hospitality facilities and local infrastructures. Finally, as recognized recently [Alanazeh et al. 2019], destination attractiveness and competitive advantages are important not only for business tourists (events attendees) but also for investors and buyers of business events such as associations, corporations and public organizations.

## Methodology

This research work is based on the results of a Delphi study conducted over three rounds of questionnaires, as part of a research work about the business tourism potential and development perspectives in the Central Region of Portugal, presented at the University of Coimbra in 2014. Conducting a Delphi study allowed to put into discussion among local stakeholders (panel of experts) several questions related to the tourism development, the main territorial characteristics that should be valued for tourism and development strategies that should be considered for business tourism.

The Delphi technique consists of a scientific research method which allows analysing qualitative data and is based on achieving the critical opinion of specialists or experts in a particular area. These experts are strategically chosen according to the high knowledge

they possess in relation to the subject and/or area of research and constitute what is called the 'Delphi panel'. To this panel, questionnaires are presented to be answered in successive rounds anonymously and with as much autonomy as possible in order to obtain a final consensus on the issue under study [Linstone, Turoff 1975; Landeta 2005; Garrod and Fyall 2005]. With flexible content and a predominantly exploratory nature, its implementation requires a structured and systematic gathering of perspectives and opinions of the experts in the subjects under study through questionnaires sent remotely and anonymously that are answered in successive rounds. In each round of questionnaires, controlled feedback of responses and perspectives obtained in the previous round is provided, in a way that each specialist can reflect on global responses and perspectives of other experts, trying thus to build an acceptable consensus on the subject under study. As main criteria for selection of experts for this study there were taken into account the following:

1. Have professional or academic experience in the tourism sector and/or in the specific segment of business tourism;
2. Develop their professional and/or academic activity in the geographical area under study;
3. Know the territory under study.

Based on these criteria, a balanced panel was organized, with experts from different areas (academics, professionals, institutional) in order to collect the different perspectives and readings on the territory and the subject under study.

The initial panel integrated 37 experts from different sectors of activity. However, between the first and last round there were some dropouts, situation often mentioned in other Delphi studies. In the second round completed the questionnaires 29 experts (eight dropouts) and in the third round 28 experts completed the questionnaire (one dropout). Meaning that between the first and last round there was a dropout rate of 24% ( $n = 9$ ).

The questionnaires were drawn from a set of open and closed questions, in order to collect a comprehensive analysis of the territory, its potential and development prospects of business tourism. The results from each round of questionnaires were the basis to organize the subsequent questionnaires in order to allow deeper reflection about the topics under study. In every round experts were asked to make comments on what they thought necessary or relevant to each issue and allowed consultation of all the answers in the previous rounds.

The data was processed through Microsoft Office Excel 2007 software in accounting for answers and through the SPSS (Statistical Package for Social Sciences) V. 19.0 in order to statistically measure the average rank for each proposal presented and the degree of general agreement in each ranking, by applying the Kendall's coefficient of concordance (Kendall's W).

## Results and discussion

### **Cultural assets and touristic resources**

To better understand the territorial characteristics with high potential for tourism, experts were asked to identify the main attributes of the territory. In this context, a set of main differentiating characteristics were identified by the experts, such as:

- historical and cultural heritage,
- landscape and natural heritage,
- gastronomy and wines, and
- thermal spas.

Among these main differentiating characteristics, there were also identified three main elements, seen as anchor elements for the region:

1. University of Coimbra, as the most important historical and cultural element in the region under study. It encompasses all the social and academic culture of the city. It was classified as UNESCO's World Heritage in 2013, contributing significantly to the international touristic projection of this territory.
2. Haff-Delta of Aveiro, encompassing a great tourism potential associated with the close contact with nature and biodiversity. It integrates natural areas of special relevance, such as the Natural Reserve of the Dunes of São Jacinto, the BioRia project and the coast line that encompass some of the main maritime beaches of region. This natural context can also be associated to the important historical and cultural heritage linked to agricultural activities, such as the salt production activity (salt marshes) and the harvesting of seaweed. All these factors provide a favourable environment for the development of various tourism activities, whether they relate to the cultural, nature or nautical tourism.
3. Local gastronomy, recognized by its quality and diversity, representing the preservation of traditional recipes associated to local products with high quality (some of which are certified products), which are representative of the culture, memory and savoir faire of the local communities and represent a differentiating hallmark of their identity.

When the experts were asked to identify the main action for the enhancement of the tourism activity in this territory, the responses converged to the necessity of urban requalification, to improve quality of life and the environment in cities, with special attention to the rehabilitation of historic centres (Coimbra, Aveiro and Viseu), as privileged visiting areas, taking into account functionality and heritage preservation.

### **Business tourism context and competitive advantage**

Considering perspectives about business tourism strategic importance, all experts considered business tourism an important sector for the economic development of the territory under study. As main argument in favour, experts identified the resilience to seasonality and the increase in hotel occupancy, resulting in an extension of the period of tourism throughout the year and increased monetization structures, equipment and services that rely heavily on tourism (congress centres, accommodation, catering, entertainment activities, etc.). Mitigation of tourism seasonality and increased hotel occupancy throughout the year will boost all economic sectors directly or indirectly linked to tourism, to the extent that a greater number of visitors usually means an increase in revenue from tourism.

The main measure to develop refers to the importance of requalifying existing venues. This measure can be seen in a double perspective. First, it will allow to improve the quality of the existing offer in terms of services and equipment, and second, it will contribute to recover and value built heritage thus avoiding its degradation.

As main difficulty, it was identified the lack of mobilization capacity, referring the poor development of this segment by stakeholders, low joint efforts, lack of correct policies implemented by the public sector and weak partnerships between public-private sectors.

Experts were also asked on which would be the main venues of the region and which key actions should be developed to enhance the venues supply. The main venues identified by the experts represent mainly those with greater seating capacity and encompass the following:

1. Hotels (specially 4 and 5 star categories);
2. Universities (University of Aveiro and University of Coimbra);
3. Aveiro Cultural and Congress Centre, with a main auditorium with capacity for 730 people;
4. Exhibition Park of Aveiro, best suited for holding fairs and exhibitions, with two multiuse halls with capacity for about 8,500 people each;
5. Arts and Entertainment Centre of Figueira da Foz, with a main auditorium with capacity for 832 people;
6. Casino of Figueira da Foz, with a main multiuse room with capacity to host events up to 1,000 people;
7. Expocenter Montebelo, with a main multiuse room with capacity to host events up to 2,000 people.

As key actions to be implemented, the experts identified the following:

1. Improvement of the hotel industry, specifically in terms of upgrading older hotel units and construction of new hotels, in order to increase the supply of 4 and 5-star units, since business tourism is often associated to the provision of top quality services and equipment;
2. Enhancement of wine estates as places for holding corporate meetings where the association with wine tourism can contribute greatly to the enhancement of the tourism experience of business visitors. In this context, wine estates are seen as exotic venues for business events. But also, development of wine estates will contribute to the enhancement of the visitors' experience, linked to wine tourism, such as the grape harvest or treading the grapes, similar to what is found on a larger scale in the Douro region;
3. Development of a large conference centre in the region with an auditorium with a capacity for more than 1,000 people. It should be noted that in Coimbra this investment was recently accomplished and it seems to be enough to offset the lack of auditoriums with capacity for over 1,000 people (The Convention and Cultural Centre of the San Francisco Convent, with a main auditorium with capacity for 1,125 people, opened in April 2016). As far as the requalification and optimization of existing venues is concerned, it should be seen as a highly relevant measure as it can improve the quality of the existing supply in terms of services and facilities and contribute to the recovery and enhancement of built heritage thus avoiding its degradation.

For all of these factors presented, it will be very important to have a combination of the efforts of stakeholders in the structuring of business tourism product and management of the territory as a tourist destination with development potential along this particular segment.

## Conclusion

Business tourism proves to be of great strategic interest to the touristic development of the regions, especially those with differentiating touristic attractions. These attractions, together with the existing venues and the performance of an entity responsible for the management of the supply associated with business tourism, may be of great importance for the development and strategic positioning of the territories along this particular segment. As such, not only venues are important, but also the existence of natural,

cultural or architectural heritage resources that can be valued and promoted in order to increase the attractiveness of the destinations and enhance capturing events and visitors.

Results show that stakeholders consider business tourism very important to the Central region of Portugal and identify some competitive assets, such as important cultural resources that can contribute to enhance leisure tourism activities. Therefore, enhancing leisure tourism opportunities will contribute to enhance the overall business tourism experience for those who chose this region for business purposes. These results are consistent with theoretical and empirical literature that indicate location and accessibility, conference facilities and service level, leisure activities and social facilities as critical factors behind choosing a destination [Carvalho, Márquez, Diaz-Méndez 2018; Skinner 2017; Rogerson 2015a,b; Zhang, Leung, Qu 2007; Crouch, Louviere 2004; Crouch, Ritchie 1998].

This collaborative research with local stakeholders proved to be important to clarify perspectives on this segment, especially at a time when conference and event organizers seem to change their destination selection. Typically, large or industrial cities were the main destinations for business events and business tourism. In recent years, the location and shape of business events has, however, significantly changed. More attention has been given to cultural and historical heritage attractions than to city's dimension [Falk, Hagsten 2018]. As stated by Crouch and Louviere [2004], traditional convention locations of some main large cities with more developed infrastructures have been losing market share to smaller cities and towns in more exotic locations with modern hi-tech meeting facilities. Thus, strategies of competition based mainly on accessibility, infrastructure and cost are not enough anymore. Destinations need to create a unique combination of attributes to develop strong competitive positions and must do so through an intimate knowledge of the factors that associations value most in their site choice decisions [Crouch, Louviere 2004]. The widespread idea that associates business tourism to major urban centres with very large venues, accommodation and infrastructure seems to be outdated. Kim and Jun [2016] found that an unknown city could benefit more than a well-known city by improving the image of the city using event advertising as a promotional tool. Additionally, it has been evidenced, over the past years, a tendency to reduce the number of participants in associative meetings while the number of meetings held continues to increase.

So, it is clear that this territory presents differentiating factors that provide an environment conducive to the development of business tourism. In addition to the richness and diversity of tourist attractions, mild climate, good network of accessibility, safety and hospitality, there is a good quality and diverse touristic accommodation supply adapted to a wide range of segments, including business tourism, which are complemented with the existence of relevant venues.

However, some aspects should be considered with deeper attention to improve the destination capacity and service quality. Namely, as indicated by experts, the need for urban requalification, to improve quality of life and the environment in cities, the need for a better mobilization capacity and joint efforts between public and private sectors, and the need for improvement of the accommodation supply.

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