

# BUSINESS TOURISM SECTOR

TRENDS AND OPPORTUNITIES

# Background

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- Tourism is the world's largest industry
- In many developing and transition economies, tourism has emerged as the dominant tool for economic growth
- Business tourism is the lucrative, fast growing segment of the world's largest industry sector

# Background

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- Business Tourist are less cost sensitive than leisure tourists, sending on average twice as much per day
- The purchase decision are primarily influenced by their ability to se the time efficiently within business travel scheduled
- 75% of business travelers extended their trip for pleasure (stay another day campaign)
- Enormous potential in this Market
- MICE.....Business Tourism.....Business Events

# Business Tourism Pillars

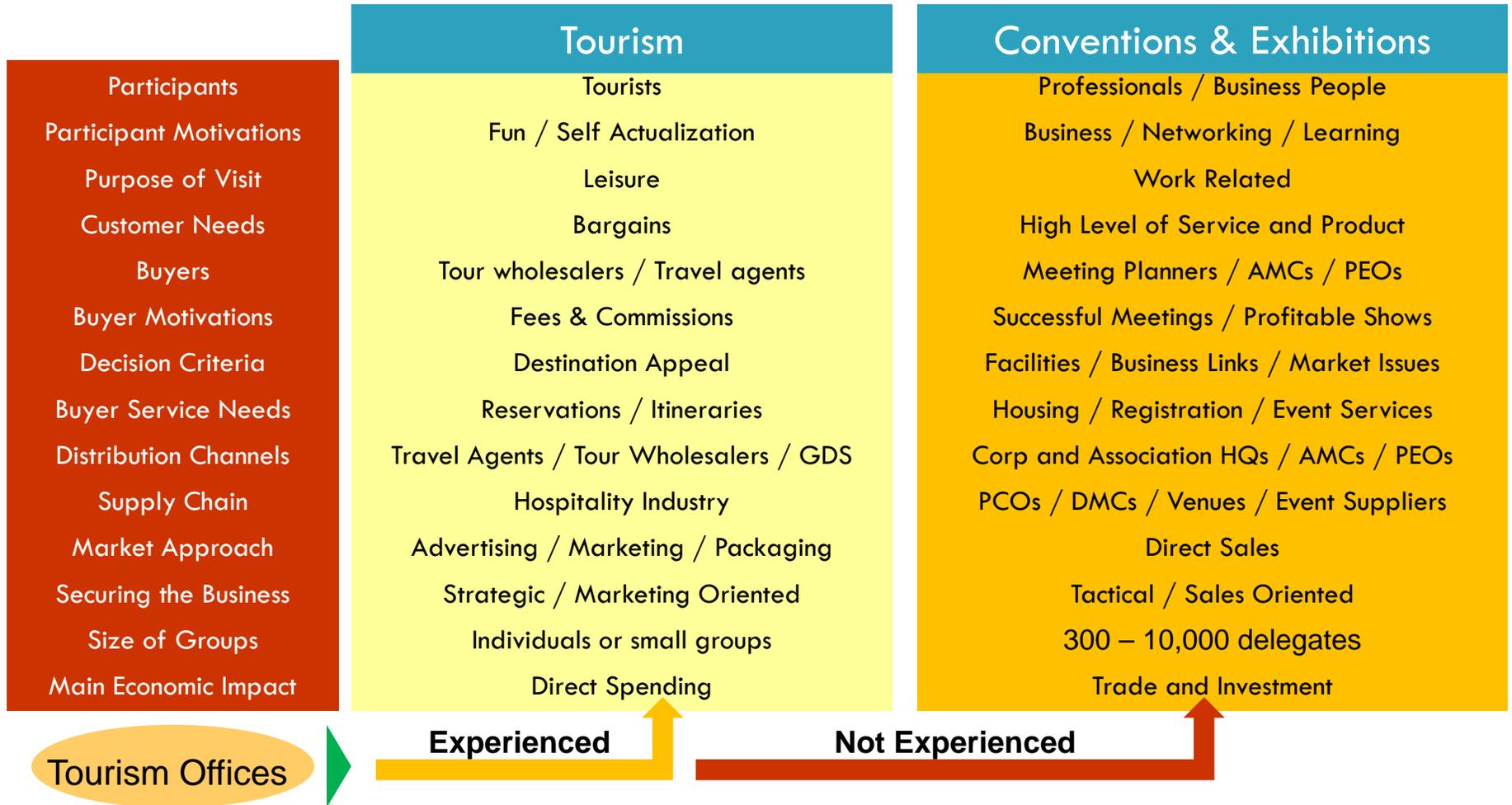
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- Business travel is categorized as follows:
  - ▣ Meetings : Corporate and Government meetings
  - ▣ Incentives: Mostly company incentives
  - ▣ Conferencing: Mostly association meetings
  - ▣ Exhibition: B2B and B2C exhibition
  - ▣ Events : international events

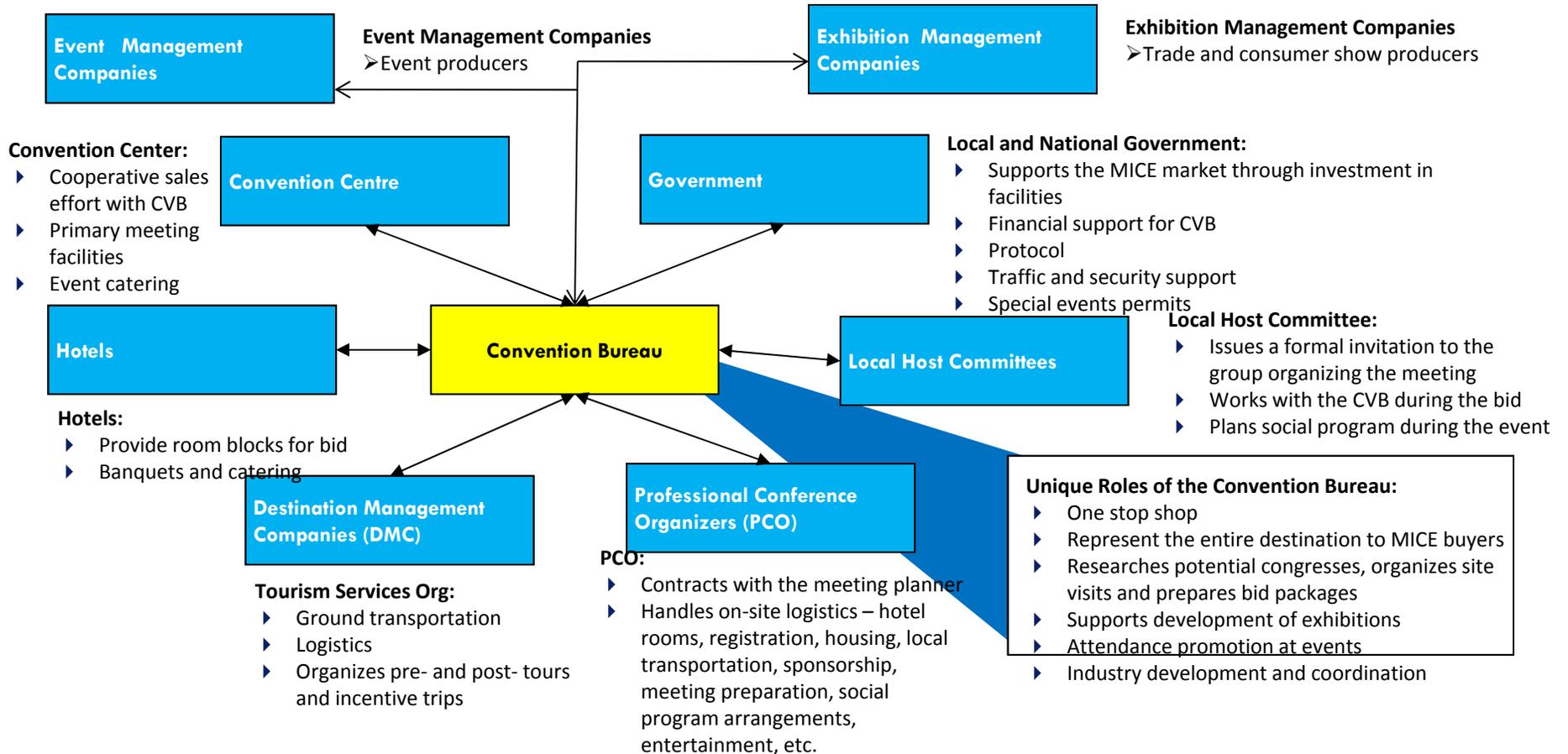
# Business tourism Trends

- MICE buyers prefer to work through a Convention Bureau as a one-stop shop
  
- What is a Convention Bureau?
  - ▣ Official destination marketing organization
  - ▣ Independent, impartial and unbiased
  - ▣ “One-stop-shop” for buyers
  - ▣ Convention sales (bidding)
  - ▣ Tactical vs. strategic
  
- In most countries Convention Bureau are stand alone agencies

# Business Tourism is different from Leisure Tourism



# Business tourism Trends



# Business tourism trend

## □ **Attracting business tourists**

- Hotel access - 24 hour check in/out policy
- Increase business centre support – coupled with 24 hour business centre
- Airport Tourism
- Attracting Conventions and Meetings

Convention represent the highest incidence of business travel, and both conventions and corporate meetings are on the rise as the pace of international business accelerates. Attracting such major events requires marketing to meeting and convention planners, as well as to major trade exhibition organizers. The market for small, fast-turnaround meetings is also growing rapidly.

# Business tourism trend

## □ **Tourism infrastructure for business conventions**

- Example, Subic Bay, Philippines, has converted a former United States naval base to a Filipino free trade zone, airport and meetings destination. Some 280 United States corporations have set up offices at the site with business amenities including 802 guest rooms and meeting rooms which accommodate up to 1,000 people. Beyond the hotel facilities, Subic Bay features horseback riding stables, a go-cart track, and more than 20,000 acres of virgin rainforest. The complex also offers a Jungle Environment Survival Training Camp, which operates tours by local Aeta tribesmen who trained American soldiers in jungle survival skills.

# Business tourism trends

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## □ **Tourism packages for conventions**

- International trade shows and conferences attract hundreds to thousands of delegates, often from many countries. Tourism and convention planners often include tourism add-ons for delegates. These events may include city tours, golf and sightseeing as a regular part of their programmes.
- Golf add-ons can be particularly lucrative. A recent study by the National Golf Foundation in the United States found that golfers travelled more frequently and stayed longer than non-golfers. In an effort to fit golf into their business trips, business travelers lengthened their stay or took additional business trips in order to golf while entertaining clients.

# Business tourism trends

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## □ **Accompanying families**

- A growing number of business travelers bring families on business trips. A world-famous hotel in Scotland, for example, has introduced a programme for children with diversions including a playroom, country club and participation in sporting activities. In London, a five-star hotel offers a "Mary Poppins package" which includes a trained nanny who will take children on sightseeing trips while parents are working.

# Business tourism trends

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## □ **Adventure travel**

- Executives are increasingly attracted to the adventure venue business trip, which combines team building and strategic planning needs with adventure travel. One company, for example, designs adventure vacations for organizations designed to boost morale and develop leadership in corporate employees, while providing a "perk" in the way of a rafting trip or other exciting recreational venues.
- New technologies - such as internet promotion, electronic ticketing, computerized reservation.

# Opportunities

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- Opportunities exist to work with hotels to develop an **in-house TV channel that** features activities appealing to business tourists such as weekend tours, theatre, golf options, restaurants, special cultural and recreational events and departure flight information
- Opportunities exist to work with hotels in order to upgrade their business support services
- Develop 1-3hour tour packages for people in transit

# Opportunities

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- Develop **airport tourism**- work with their airports to make an inventory of the activities available to business travellers. Gaps to be addressed may include business centres with Internet access, exercise facilities, day rest rooms booked on a hourly basis, extended shopping options and short tours.

# Opportunities



- There is a tremendous opportunity to attract meetings, conventions and exhibition traffic through the promotion of "off-the-beaten-track" locations, high-quality services and cost-effective options.
    - ▣ Accredited Professional Conference organizer (PCO)
    - ▣ Accredited Exhibition Organizer(EO)
- PCO and EO have an opportunity to strategically position themselves to convention and meeting organizers as a world class corporate destination with "out-of-this-world" tourism potential.

# Opportunities



- **Accompanying programme Packages-** an opportunity to work with hotels and convention centres to develop new offerings for children and spouses during business meetings.
- SA already positioned in leisure **adventure tourism** can extend such products to the business traveler
- Specialized site inspection tour operators and guides
- Consultancy firms specializing in bid document preparation, formal proposals and economic impact assessment/studies



“Its harvest time ..... let’s harvest the business  
tourism opportunities in front of us to grow our  
economy”

By Nonnie Kubeka



Thank you!