

# EXAMINING THE BUSINESS TOURIST

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## Abstract

This study was an attempt to segment the business tourist market in north-central Florida county, and evaluate the business tourist's behavior before and during the business trip with respect to gathering information as well activity participation while at the destination. The theoretical framework for this study is market segmentation. Market segmentation is an extremely important tool in evaluating tourism marketing. The study found that business tourists participated in very few activities while in the county and used very few sources to gather information before traveling to Alachua County on business. Future research as to how to reach this type of tourist with regards to marketing local activities and attractions would benefit Visitor and Convention Bureaus in many counties across the state of Florida and possibly the United States.

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## 1.0 Introduction

Tourism is a phenomenon that warrants investigation due to its economic and social impacts to a region or country. Business tourism has become an important segment in the tourism industry. The meetings and convention sector of the tourism industry is a large part of business tourism. It is important for destinations to understand who the business tourist is in order to effectively target this specific market. Destinations also need to understand the behavior of the business tourist. Specifically what activities they are participating in and how they obtain the information about the destination and these activities.

## 2.0 Theoretical Framework

Because business tourism is an extremely important segment of the tourism industry the theoretical framework for this study is market segmentation. Market segmentation is an extremely important tool in evaluating tourism marketing (Perdue & Pitegoff 1984). Schiffman and Kanuk (1978) defined market segmentation as "the process of dividing a potential market into distinct subsets of consumers and selecting one or more segments

as a target to be reached with a distinct marketing mix" (p.31). In 1973 the National Tourism Resources Review Commission defined a tourist as "A tourist is one who travels away from home for a distance of at least 50 miles (one way) for business, pleasure, personal affairs, or any other purpose except to commute to work, whether he/she stays overnight or returns the same day" (McIntosh et al. 1998, p.11-12). Two of the methods mentioned by Swarbrooke and Horner for segmenting the business tourism market are indicated in this definition, which are distance traveled and length of stay.

## 3.0 Literature Review

In most of the literature the word business travel is used to describe the segment of the tourism market that encompasses traveling for the primary purpose of business. However, Swarbrook & Horner (2001) say that it should be called business tourism and that there is a distinctly different definition that separates the two terms. Business tourism is stated as "people traveling for purposes which are related to their work, encompasses all aspects of the experience of the business traveler" (Davidson 1994). Business travel however, solely focuses on the movement of the business traveler from point A to point B. The two terms tend to be used synonymously throughout research and thus in this paper as well.

Traveling to attend meetings is the primary reason for business travel. About 20 percent of all business trips are for the purpose of attending corporate meetings or conventions (Mill 1990). Most often, conferences and conventions are an important component of travel and tourism in a region (Grado et al. 1998). Nearly 50 percent of all business tourists attend meetings or conventions as the primary purpose of their trip, with another 12 percent reporting it as the secondary purpose of their trip (Survey of Business Travelers 1994). Meeting, conventions, and expositions generate tremendous amount of revenue within the hospitality industry. Successful Meetings magazine's "State of the Industry" report in 2001 indicated that current spending on meetings totaled \$112.1 billion, broken down into three categories.

Survey of Business Travelers, stated that 85 percent of business tourists stay overnight while on trips. Because business tourists stay overnight there is greater economic

impact, which again emphasizes why this segment of the tourism market is so important (1994). Destinations have recognized that the further away a person lives and whether they stay overnight are two ingredients to greater economic impact (Grobar & Magadinno 2003). It is also known that business travelers also become leisure traveler after the workday is over. Therefore a definite link is developed between business tourism and leisure tourism (Mill 1990; Swarbrooke & Horner 2001). Meetings and conventions traditionally include “add on” activities which can ultimately increase the participation or attendance of an event and hence create repeat attendance for future events while bringing in more economic gains for the host communities (Green 2001; Smith & Jenner 1998).

#### **4.0 Purpose of the Study**

The purpose of this study was to understand the leisure behavior of different segments of the business tourist market. The data collected examined the activities that business tourists participate in while in a north-central county in Florida. The goal was also to understand how the business tourist to the County gathers information and from which sources prior to leaving for the trip. Finally a profile of the business tourist was constructed.

#### **5.0 Methods**

Data were collected in 2001 at 14 sites in one county in north-central Florida. These sites included hotels, local attractions, special events and the regional airport. A fixed choice questionnaire contained items on demographic characteristics, types of information sources used to make the travel decisions, participation in twenty local activities and the destination origin of the traveler. Only those who indicated their primary purpose of the trip was business and those who responded ‘yes’ to the question ‘Do you live outside of the county?’ were included in this study (n=360).

Items on the questionnaire were derived from a thorough review of the literature; also, items from recent surveys in the area were retained to allow for possible longitudinal analysis. The length of stay was operationalized through two questions, ‘How many nights in total do you plan to be away from home on this trip?’ and ‘Have you stayed or will you be staying in Alachua County on this trip?’ The distance traveled was operationalized by a question inquiring about the respondent’s zip code of his/her permanent address.

A list of 20 activities in the area was created and the respondents were asked to simply check those activities they had participated in (during this outing) in the county. A list of 16 information sources (and one option called ‘other’) was also generated to ask travelers to indicate the types of sources they had used to help make their travel decision. Demographic variables such as gender, age, income, education, employment status and number of children living in the household were also analyzed. The data were analyzed using the Statistical Package for the Social Sciences (SPSS 11.0).

#### **6.0 Results**

The first research question aimed to construct a profile of the business tourist. The majority of these business tourists were between 31-50 years old. Also most of them earned between \$50,000 and \$100,000 in annual income. It is interesting that most of the business tourists to the County have a college degree with some having advanced degrees. It is not surprising however, that seventy percent of the sample of business travelers to the county were men.

The second research question strived to identify if there were in fact, different segments to the business tourist market. The respondents were recoded according to how they answered the question if they stayed overnight during their trip or not and the question about the zip code of their permanent residence to in-state/out-of-state and overnight/daytrip. Simple descriptive statistics were used to identify frequencies. The results do indicate that according to our segmentation criteria, length of stay and distance traveled, there are differences in the business tourist market.

The next research question looked at what types and how many activities business tourists to Alachua County participated in while in the county on business. Interestingly only three activities of the 20 were significantly different among the four business tourist segments. These activities included dining out, taking in nightlife and visiting a state park. However shopping and antiquing was not significantly different, it was the third most participated in activity. Table 1 shows the top 15 activities of the 20 on the questionnaire as respondents indicated which activities they participated in. The number of activities participated in per business segment is significant also. Ranging from 2.25 activities for the ONOS traveler to 1.07 activities for the DTIS traveler.

**Table 1.—Activities participated in by segment**

Activity	ONOS %	ONIS %	DTOS %	DTIS %
Dining out*	82.9	63.3	60.0	39.3
Take in nightlife*	31.8	34.9	13.3	7.1
Shopping/antiquing	23.3	31.2	6.7	28.6
Visit state park*	14.0	2.8	0.0	3.6
Visit a scenic area	10.1	7.3	0.0	0.0
Visit community park	10.1	3.7	6.7	7.1
Swimming	9.3	7.3	0.0	0.0
Golfing	7.0	1.8	6.7	0.0
Gallery/museum/historic site	7.0	7.3	13.3	0.0
Birding/wildlife viewing	5.4	1.8	6.7	3.6
Attend a UF sporting event	3.9	5.5	0.0	3.6
Attend a theatrical performance	3.9	2.8	6.7	0.0
Attend a festival	3.1	5.5	6.7	7.1
Tubing in the springs	3.1	1.8	0.0	0.0
Attend a non-UF sporting event	2.3	3.7	0.0	7.1
Average number of activities*	2.25	1.85	1.27	1.07

\* significant at  $p \leq 0.05$

**Table 2.—Sources of Information Used by Business Segments**

Information Source	ONOS %	ONIS %	DTOS %	DTIS %
Travel Agent*	30.3	5.7	40.0	2.4
Previous Visit	25.8	27.4	20.0	19.0
Internet*	19.7	9.7	4.0	11.9
Map	8.6	2.4	4.0	11.9
Own travel files	5.3	0.8	4.0	9.5
Friends and relatives*	5.3	17.7	4.0	19.0
Chamber of Commerce	2.6	1.6	0.0	0.0
Road signs*	2.6	6.5	0.0	11.9
Travel club	1.3	1.6	0.0	7.1
Travel guide	1.3	2.4	0.0	2.4
Total number of sources*	1.16	0.9	0.9	1.21

\* significant at  $p \leq 0.05$

The fourth research question investigated the types of information sources used by business travelers to gather information for their trips. Table 2 shows those sources that were most frequently used and four sources being significantly different among the four segments. The first being travel agent with the DTOS travelers the most frequent users. The next significantly different source was the internet used more frequently by the ONOS followed by the DTOS traveler. Friends and relatives were used most by DTOS. Interestingly, road signs were used most by the DTIS travelers and next by the ONIS travelers. While not significantly different, previous visit had a strong presence in the sources used by business tourists to Alachua County.

The last research question sought to understand the demographics of each of the four segments of business travelers to Alachua County. Table 3 shows the four demographic variables analyzed that proved to be significantly different among the business segments; age, income, highest level of education and gender. The ONOS tourists were younger men with higher incomes and higher education. The ONIS tourists were older men with middle incomes and some college education. The DTOS tourists were younger men with high incomes and college degrees. Finally the DTIS tourists were middle-aged women with middle incomes and college degrees.

**Table 3.—Demographics by Business Traveler Segments**

	ONOS	ONIS	DTOS	DTIS
Age*	%	%	%	%
18 to 30	18.2	16.0	15.4	23.4
31 to 40	30.4	24.0	50.0	14.9
41 to 50	30.4	29.6	11.5	34.0
51 to 60	19.6	19.2	19.2	17.0
61 to 70	1.4	8.8	0.0	4.3
71 to 80	0.0	2.4	3.8	6.4
Income*				
Less than 24K	2.1	3.4	7.7	9.8
24,001 to 35,000	4.2	10.3	0.0	9.8
35,001 to 50,000	8.3	15.5	7.7	8.6
50,001 to 75,000	22.9	24.1	19.2	48.8
75,001 to 100,000	19.4	20.7	26.9	14.6
100,001 to 125,000	16.7	14.7	19.2	4.9
Over 125,001	26.4	11.2	19.2	4.9
Highest level of education*				
Less than high school	0.0	0.8	3.4	4.3
High school graduate	1.9	11.0	3.4	6.5
Technical school	5.2	3.1	3.4	10.9
College degree	42.2	30.7	58.6	47.8
Some graduate school	9.1	3.9	3.4	13.0
Some college	8.4	21.3	0.0	6.5
Advanced degree	33.1	29.1	27.6	10.9
Gender*				
Male	73.2	71.1	75.9	47.8
Female	26.8	28.9	24.1	52.2

\*Significant at  $p \leq .05$

## 7.0 Discussion

This study proposed that there were different segments within the business tourist market. As consistent with the literature the sample is made up of mostly young to middle-aged male business travelers with college educations and high incomes. ONOS business tourists were the most frequent visitor among the business segments followed by ONIS tourists. This is also consistent with the literature in that 85% of all business travelers stay overnight while on a trip.

The ONOS tourists used travel agents frequently but used the Internet more than any other segment of the market and participated in the most activities while on their trip. The in-state travelers used road signs and friends and family more for their information. The overnight travelers did tend to participate in more

activities. The DTIS travelers were more females and participated in the least number of activities while in the county on business. The DTOS tourist used travel agents the most of the four segments in the business tourism market.

In general, business tourists did not participate in very many activities (mean=1.61). Of the activities participated in, dining out was most common, followed by taking in nightlife, and visiting a state park. Interestingly, dining out, taking in nightlife, and visiting a state park all varied by “type” of business tourist.

In general, overnight visitors tended to participate more frequently than daytrippers. These activities tended to be those that were easily accessible. Travel Industry of America suggests dining out is one of the activities that

most travelers take part in, so it is not surprising that business travelers are the same. The high participation rate from those ONOS travelers visiting a state park may be the result of a meeting or convention “adding on” this activity to the program.

Another interesting finding is how few information sources were used for all segments. The mean number of information sources used varied between 1.21 and .9 sources. Of the different segments, the DTIS travelers used the most number of sources. With the hype of the internet and travel, most business travelers still used travel agents. Perhaps they are gathering their information about local attractions, airline tickets, weather and driving directions before booking with their travel agents.

Florida residents were the most frequent users of road signs as an information source. This is not surprising in that Florida is a state which uses a large number of billboards and road signs to indicate where to exit the highway for local attractions, restaurants or gas. However, the Florida legislature has passed a law to construct no more new billboards along highways, although the current standing signs may remain. This is an interesting finding that Florida residents are relying on these signs for information and that perhaps the Florida state government is not taking into account the needs and wants of its residents.

As a result of this study has taken place, the Alachua County Visitor and Convention Bureau has implemented a grant program funded by the bed tax in the county to encourage meeting and convention planners to include local activities and attractions in their planning. This has been done through things like the downtown dine around and hosting meetings at local museums. Since then the activity participation among visitors to Alachua County has increased. Other Convention and Visitors Bureaus may use Alachua County as an example of one way to increase activity participation among all visitors and especially business tourists to the county.

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