

**University of West Hungary  
Faculty of Economics**

**CUNSUMER BEHAVIOUR STUDY  
ON INTERNATIONAL CONFERENCE TOURISM  
ON THE HUNGARIAN MARKET**

Doctoral (PhD) thesis

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## 1. Objectives, hypotheses

Tourism is the most rapidly developing industry of the world. The economic crisis has had an impact on this sector too, and consequently the number of international tourist arrivals was 4,2 % less in 2009 than in 2008, so a total 880 million international tourist arrivals were recorded. The income from international tourism declined by 5,7 % in 2009: it was US \$ 852 billion in the previous year (WTO, 2010).

Conference tourism connected to professional tourism under the umbrella of tourism can be considered as one of the significant types of tourism. Conference tourism was less affected globally by the crisis as more events were recorded in 2009 than in 2008. Unfortunately the Hungarian results have been less favourable (ICCA, 2010.)

By examining future trends it can be concluded that confidence in business travel is growing however, restraint is still a characteristic in most parts of the world. And those who can afford to travel, require higher quality, adequate value for money ratio and personalised services.

Researches of conference tourism in Hungary have not been widely conducted. Professional literature does not exist in this area. However, there are some studies and research which cover the theoretical basics within event organisation and business tourism. In addition to the studies covering the economic impacts, it is also worth reviewing the demand for conference tourism. By assessing consumer behaviour, we can easily identify the difference between a leisure-tourist and a business tourist who is a conference attendee.

The author's relation to events organising and conference tourism started as a conference organiser while she had the opportunity to look into the world of the international conferences. This relation still exists and plays an important role in her career as a lecturer, and as a researcher. This experience and the discovered "grey areas" in the literature helped the theme selection and also contributed to defining the assessment of consumer behaviours as the subject of the research within the chosen sciences.

Future trends show that MICE (meeting, incentive, conference and exhibition) tourism must be considered with prominent attention. It can be concluded that more and more service providers realise that it is worth investing in this sector of tourism. Unfortunately

the adequate level of government engagement is still missing. Therefore one of the most important jobs to be done is to obtain the government's support.

### ***1.1 Objectives of the research***

The objective of this research, on the one hand has been to summarise and synthesise research results about tourism, and within that, about conference tourism, and on the other hand to examine international conferences held in Hungary and conference participants' consumer behaviour. Hungary treats conference tourism as an important sector the Hungarian National Tourist Office regards it as one of its major propositions, as a significant segment of Hungarian tourism.

By learning more about conference attendees' consumer behaviour, the results of this research can help the market to define what kind of marketing tools could be used to gain more participants, furthermore how to conduct more thorough and efficient marketing activities.

From the organisers' point of view, exploring demands provides an opportunity to learn more about consumers to satisfy their needs. With the help of the formed consumer groups the characteristics of conference tourism segments can be explored. In terms of destination, this research may help planning the variety of services and the marketing activities.

The research area consists of the following questions:

- identify the theoretical bases of conference tourism and consumer behaviour;
- review these theoretical models in practice;
- assess the consumer behaviour of conference attendees;
- examine the possibility of clustering within conference tourism.

In Hungary no research has been conducted on this subject yet, even consumer behaviour research is limited to conference tourism participants. Therefore on the one hand this research is exploratory namely secondary data is used to explore the issue. On the other hand it is descriptive i.e. it provides a description about the consumer behaviour by questioning.

## ***1.2. Hypotheses of this research***

The following hypotheses are based on several sources. Working on the theoretical literature provides the background, which formed the bases of the hypotheses. Data collection by the Hungarian Convention Bureau and researches on conference tourism by the Hungarian National Tourist Office have been completed with the author's own experience gained in conference tourism.

### **H.1. Consumer behaviour of conference tourists significantly differs from the consumer behaviour of leisure tourists (frequency of participation, motivation, relative spending).**

Consumer behaviour of leisure tourists has already been the subject of several researches. This research compares the information acquired from primary data collection with the features of leisure tourists acquired from secondary sources. This way, the hypotheses can be substantiated. Participation in tourism or its frequency depends on several factors. In addition to motivation, discretionary income and time available, the supply elements also play an important role in the decision. The hypothesis assumes that the world of conferences forms a separate segment within tourism, because the income and time factors do not play a dominant role in business tourism. Since travel happens during the working hours and it is financed by the employers, participants can travel to conferences several times a year.

Motivation plays an important and dominant role in each type of tourism. By analysing the secondary sources, you can see that professional motivations are the main factors in conference tourism. Among those factors which significantly influence conference tourism, leisure motivation has also appeared (FARAGÓ, 2000). The hypothesis assumes that there is a group of participants for whom the use of leisure time opportunities during the conferences also plays an important role besides their focus on the professional agenda. Considering the demand characteristics the hypothesis assumes that the conference participants pay more for travelling because they do not travel on their own discretionary income. From the secondary researches it can be concluded (KSH 2009) that the difference between the two types of tourists' spending can be 2,5 times in Hungary, and 4-5 times on the international market (ICCA 2009). The study of the spending structure can also show

the difference between the leisure tourists and the professional tourists as the tourists arriving with different motivations seek different services.

## **H. 2. The decision-making process of conference tourists is identical with the tourist decision model known in leisure tourism (time of decision, influencing factors).**

Trends of tourism show that tourists finalise travel decisions at a later and later point before the actual travel happens. This trend can be identified in the last minute trips of the leisure tourism. The hypothesis assumes that the same trend appears in conference tourism, which means that more and more people delay their decision, even beyond the registration deadline. This delayed decision making puts both the organisers and their clients in a more and more difficult position, as the application deadline is aligned with the reserved dates of the services. Therefore the service providers have to be prepared for these changes too.

With regards to the H 1 hypothesis, it can be assumed that among the supply elements there are other factors which influence decisions in addition to professional motivation. So at the selection of destination, such other supply elements can be important as the host country and the touristic offerings of the given city. From the theoretical model drawn on the scheme of conference tourism (LENGYEL, 1994) the hypothesis assumes that not only the professional factors are the conclusive ones when tourists make their selections.

## **H. 3. Developed conference tourism of a certain destination influences the leisure tourism of the target area (number of tourists, use of services)**

Based on the hypothesis, the number of the returning conference tourists is to be analysed. Travels for professional purposes develop the need in some tourists to return as leisure tourists to the same destination at another time. The hypothesis assumes that those attending international conferences gain such experience that stimulates them to return later.

The programmes before and after the conferences contribute to prolonging the time spent at a destination. According to the secondary research, about 20 % of the participants attend pre- and post conference programmes. The hypothesis assumes that tourists coming from remote destinations tend to use these programmes in greater numbers. The conference participation fee does not generally contain the cost of the leisure programmes, so this means further income for the receiving location.

Conference tourism is a complex social activity that implies a remarkable income for the receiving destination. The size of income depends on the number of the participants. Another feature of conference tourism is that attendees arrive with companions, who participate leisure programmes and as a result increasing the touristic income of the given destination. According to the hypothesis the tourists coming from more remote destinations arrive with companions more often.

#### **H. 4. Different background variables influence spending (using services) during the conference.**

Related to the H 3 hypothesis the number of the services used can be analysed relative to the income. The number and quality of services used over the participation fee depend on the discretionary income. According to the hypothesis the number of services used, the amount of relative spending, attending leisure programmes are influenced by the consumer's income.

Connected to the former ideas the hypothesis assumes that there are no relations to demographic factors. When defining participants of professional tourism, the age and gender as criteria are not specific, but nationality and profession are more determinative.

The hypothesis assumes relation between income and the spending structure. As the participation fee is paid by the employer (possibly by sponsor), participation is not influenced by income. However, the spending structures namely the number and the quality of the services used can be influenced by the tourist's income. The conference participation fee does not contain the costs of most tourist programmes offered by the organisers, so these costs must be taken by the participants from their own discretionary income.

The empiric research covers the Hungarian market of the international conferences. According to the hypothesis the average daily spending during the conference is influenced by the nationality of the participants. On one hand the foreigners' higher income allows them to use more services, on the other hand they are obliged to use additional services (accommodation) due to the distance from their home.

## **2. Content, method and justification of the research**

During the research there have been a number of methodologies used in order to analyse and evaluate conference tourism in Hungary and also to review the consumer behaviours on the market. Among the research methodologies the secondary methods were used first and then the primary research methods took place.

On the one hand, secondary information and data meant processing of literature on tourism, statistics and analyses related to the subject. On the other hand it included the studying of tourism marketing and forms of consumer behaviour, the learning about different models, and the analysis of consumer behaviour assessments conducted in tourism.

Secondary research included Hungarian, English and German literature. For processing the theoretical background, Hungarian studies and books were also used, however for the planning of the research, and for the assessment of results foreign research materials were reviewed as tourism marketing, and within that conference tourism marketing do not have adequate literature in Hungary. Therefore the used literature and case studies were taken from a number of international research databases.

For the primary research, questionnaires were used in both Hungarian and English with people attending international conferences in Hungary in 2009 and 2010. In addition, unstructured interviews were conducted with such consigner organisations that organise international conferences and which are involved in international conferences as clients. The research was completed with interviews conducted with the directors of local event organising firms. During the interviews their opinions were sought about the results of the research questionnaire.

The research questionnaire was not only responded by Hungarian but also by foreign tourists who obviously play an important role on the market of Hungarian conference tourism. The objective of questioning was to get a thorough understanding and to investigate the consumer behaviour of conference tourists. From among the variables the following four were examined in more detail: frequency of participation, relative spending, assessment of “spending-structure” and exploring motivation. With the help of these variables a cluster analysis was conducted among the participants.

In the case of the interviews with organisations the information acquired from the secondary data was completed. There have been ongoing and precise descriptive data collections about the consigner organizations on both national and international level, therefore the research mainly focused on factors such as motivation, the “choice of location” as well as the “reasons behind decisions” in the first place. The interviews were completed with the representatives of those organisations that have already organised international conferences in Hungary.

The interviews with the leaders of the event organizer firms completed the results of the research questionnaire designed for the participants of the conference. The event organizer firms shared their opinions about the results of the primer study hereby their views supported the approval or rejection of the hypotheses. Such conference organiser firms were interviewed that organise several international conferences a year. Besides a similar extensive interview was conducted with the head product manager of the Hungarian Convention Bureau, who also shared his opinion about the results of the research.

The methodology included qualitative and quantitative methods. The qualitative research can be used effectively in tourism, when extensively tested methods are not available or if the researcher wants to try new methods.

The quantitative research helped to quantify the data and to capture the general trends based on samples in the analysed market.

### **3. Results of the research**

The most important result of the dissertation is that it has highlighted how complex conference tourism is and how significant role it plays within MICE tourism, in addition to business travel, incentive tourism and exhibitions. Although this type of tourism may not seem prominent considering the number of its participants, it is still a significant phenomenon in the world of tourism with its economic impact and results.

Both methods used in the empirical study and the surveys of the participants as well as the interviews with the consigner organisations and with the conference organisers have proved that there is great potential, and therefore it is worth exploring the demand side of conference tourism besides the supply side. From the point of view of marketing strategy

planning it would be beneficial to get to know the above mentioned research results in order to make use of them.

One of the surprising results of the research was that it did not verify the former hypothesis that the date of decision about the participation is getting closer to the date of the conference. Based on the search results the given trend occurring in leisure tourism does not take place in conference tourism. One of the reasons for this could be that the organisers have to coordinate the event by sharing the latest possible application date. The latest date of application is in correlation with the booking, paying, cancelling deadline contracted with the service providers.

Another reason for the result can be related to the demand peculiarity of the conference participation. As participation does not occur in leisure time or on the basis of their own discretionary income the participants make decisions earlier and easier about their travel.

Another important conclusion is that according to the results of the study the use of services is not independent of demographic factors. The hypothesis did not consider the demographic variables as influential factors. However, the age and the gender showed relations with the relative spending and with the use of certain services. In conference tourism these background variables did not seem influential factors, as the registration fee includes a part of the services, and the other part, which is not included (accommodation, programmes) is paid by the employers. As apart from the application fee the services are optional, hence relation can be seen between the elements when these services are used.

An interesting result of the empiric research was the identification of the correlation that the frequency of participation in the conferences depends on the discretionary income. It is true that the basic services (participation fee, accommodation, catering, travel, programmes) are paid by the employers but the participants are charged with the cost of the additional services (hotel services, shopping). So the conclusion was that consumers are influenced by their discretionary income in that case.

The approval or refusal of the hypotheses was driven by the comparison of the secondary and the primer results of the research. The versatile review of the given findings was carried out through different methods of primary research.

The below chart a summarises the conclusions based on the research hypotheses and on the results of the empiric study, namely whether the certain hypotheses can be accepted or have to be refused. The chart indicates that one of the 4 hypotheses had to be refused i.e. 75% of the hypotheses were justified by research results.

**Table 1 Approval or refusal of hypotheses**

<b>Hypotheses</b>	<b>Accepted</b>	<b>Refused</b>
H.1. Consumer behaviour of conference tourists significantly differs from the consumer behaviour of leisure tourists (frequency of participation, motivation, relative spending).	<b>X</b>	
H.2. The decision-making process of conference tourists is identical with the tourist decision model known in leisure tourism (time of decision, influencing factors).		<b>X</b>
H.3. Developed conference tourism of a certain destination influences the leisure tourism of the target area (number of tourists, use of services)	<b>X</b>	
H.4. Different background variables influence spending (using services) during the conference.	<b>X</b>	

Source: own construction

### ***3. 1. New scientific results***

New scientific research findings could be defined by processing the secondary data and with the help of the empiric research.

1. The consumer behaviour in conference tourism was mapped for the conference organisers and for destinations.
2. Significancy analyses have indicated which variables influence the different forms of consumer behaviour.

3. With the help of multi-variable mathematical-statistical analyses five clusters were formed which adequately represent the different consumers groups on the market of Hungarian conference tourism. Moreover, by characterising these clusters, the conference organisers and the destinations can have an easier reach of the potential participants to be able to provide the most suitable service package for their demands.
4. As a novel scientific methodological achievement, K-means cluster analysis was conducted for the participants in conference tourism. As a result further research methodologies were established.

#### **4. Conclusions and suggestions**

Based on the assessment of the research results the author has made the following recommendations for the planning of the marketing strategies in national conference tourism and for certain servicing enterprises.

1. Conference tourism plays an important role in our country's tourism. Both the secondary and primary researches prove that the quality of services is satisfactory, the national conference industry provide excellent price-value ratio. A change is needed within the infrastructure namely the number of the conference rooms needs to be increased. Because of the lack of these - as it was found in the organisational interviews – the conferences with higher number of participants (above 5000 participants) are not held in our country by the organisations. Meanwhile the participants do not attach great importance (“it is important and still not so much”) to the services of the congress centre, so it does not influence the consumer decision significantly. The organizers verified the participants' opinion, namely it is not the services of the conference centre that is the most important factor.
2. On the basis of the research it can be concluded that among the services, accommodation and meals are important for the participants, furthermore they like attending optional programmes, so the organisers must take these factors into consideration while acquiring participants. As the participants' income scales may differ, conference location must be prepared to offer accommodations at

several price levels. This can be important mainly in the case of hotel services used.

3. Programmes during or after the conference are also preferred by the participants. The income derived from conference tourism can be increased if the conference schedule contains optional programmes or the general duration of stay can be prolonged by providing leisure programmes. The destination must be prepared with these supply elements in order to satisfy the needs of the participants perfectly.
4. During the period of the event the participants of the conference can be influenced to return at another time. This can be achieved if on the one hand the organisers offer different package tours or on the other hand it should be the task of the “destination”, namely of the local tourist organisations to promote leisure programme packages on the spot as the results of the research also indicate that the participants like to return to the event’s location. Special attention should be paid to organising the accompanying programmes since those who travel with companions tend to return to the same location in greater numbers after the conference.
5. The study results of the average spending prove that Hungary should increase its income derived from conference tourism. While internationally the amount of money (without registration fee) spent by one participant at an event is US \$ 2092 (420.000 Ft) on average, in Hungary this amount is between 60.000 and 100.000 Ft. However, the income is closely related to the services provided by the conference location. So it is crucial that the professional side of the supply is completed with high-standard touristic offerings.
6. One of the important results of the research is that clusters could be formed among the conference participants. By putting the respondents into five groups, well-defined clusters were created that show particular characteristics. This can be helpful with regards to the marketing work. On the basis of the characteristics of the potential participants, it can be easier to reach them, while the organisers

can provide a better customisation of supply services to the needs of the participants.

#### ***4. 1. Theoretical relevance of the research***

Within the studies on tourism, conference tourism and its participant's consumer behaviour has received relatively little attention in Hungary despite conference tourism playing an important role in the country's tourism and also having a prominent proposition in the marketing strategy. Internationally the research of professional tourism and within that the study of conference tourism has already started. This field of tourism already has its specialized literature, but the majority of researches review the supplying side, and there is little up-to-date information on the demand side. Therefore this research enhances both the national and the international literature on the subject.

The theory-focused chapters of the dissertation have explored the importance of conference tourism, its relation to Hungary, and the background literature. The objective of the theoretical research was to summarise and synthesise the scientific results that concerns tourism and within that the analysis of conference tourism.

#### ***4. 2. The potential practical use of the research***

Despite the economic crises, tourism was the only sector that was able to contribute increasingly to Hungary's current balance of payments. The foreign exchange balance of tourism increased by 10.9 % (according to preliminary data) in 2009 compared to 2008.

In order to develop tourism into the right direction and to achieve an adequate rate of growth; thorough planning is required. For thorough planning it is inevitable to research and review the certain types of tourisms. Essays on different types of tourisms can potentially help the decision makers to make more reasonable decisions that can enhance favourable changes.

The given destinations should define their touristic resources and should also be prepared to satisfy the demands and needs of the particular tourist segment. Without satisfying the extended infrastructural needs of conference tourism, conferences venues can not achieve a long term development and growth.

The organising firms have to be prepared for the changing consumer behaviours, so as to be able to satisfy demands and needs more completely.

The results of this research can be useful on one hand for the conference organisers and on the other hand for the decision makers of particular tourist destinations, and of conference cities. The knowledge of conference tourism systems, the studying of conference tourists' consuming behaviour and the use of research results can potentially help with the planning of an appropriate strategy, and with making the supporting arrangements that promote development and growth.

#### ***4.3. Suggestions for further research***

Since in Hungary there have been scarcely any scientific studies conducted on conference tourism, it is advisable that it becomes a research topic in accordance with its future business potential.

Extension of research could be started in several directions. By increasing the sample of empiric study further conferences with different scopes could be included in the research. So in addition to the more frequent scopes the research could potentially include international conferences with scientific, legal, cultural, agricultural, environmental, sports and with other subjects. The selection of conferences could also be made based on the size of the conference, rather than just based on the scope.

Further opportunities could be defined by reviewing change in consumer behaviour after the economic crisis to understand the potential impact of the crisis on the participants' decision on travels. Afterwards, chronological analysis may help to avoid possible mistakes.

In addition to the Hungarian market, the research could be extended to the international markets too. This could provide a good opportunity to assess the resources and competitiveness of the large, medium and smaller conference destinations.

The research investigated one segment of business tourism: conference tourism. It could be worth extending the research to the consumer behaviour analysis of business tourists

and of exhibition attendees within the MICE tourism. Incentive tourism means a different research direction, because based on its demand features it is categorised under professional tourism but the provided services bring it closer to leisure tourism.

Apart from the demand factors, the supply side can also be analysed, however scientific studies have already been conducted on this subject.

## **5. The author's publications related to the subject of the dissertation**

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„Merre tovább - gazdaság és társadalom? Realitás és esély" konferencia, Budapesti Gazdasági Főiskola, Budapest (2010.11.04.)

“ Fogyasztói magatartás vizsgálata a nemzetközi konferenciák magyarországi piacán”

8th International Conference for Marketing, Management, Finance, Consumer Behaviour, Tourism and Retailing Research, University of Dubrovnik, Dubrovnik (2011.04.28.)

“Specialities in the demand of significant Hungarian tourism products”