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# BUSINESS MEETINGS ORGANIZATION MARKET AND CONDITIONS

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### Abstract

The development of the organization of business meetings is influenced by many conditions, such as demographic, political, economic, social (including psychological) and cultural conditions. All the business tourism forms function in the area of the business meetings market. The market of business meetings organization is influenced by the environment in which a given enterprise or institution functions. The creation of an appropriate environment and of suitable conditions for business meetings organization positively affects the region's socio-economic development.

### Key words

business meeting, business meeting market, business meeting conditions, business meeting organization environment.

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## 1. The definition of business meetings

Business and tourism started to intertwine in the second half of the twentieth century, when the globalization processes forced the organization of business trips and trade meetings outside the main headquarters of companies. The depth of this symbiosis is emphasized in the words of the director of American Express Consulting: "A business that needs people to travel so they can generate revenue can't afford to cut out travel" (Rice, 2011), A business meeting is an organized event whose participants gather in order to discuss the topics of their interest, to exchange views, to improve communication, etc. (Davidson, Cope B.2003). Such an event can be commercial in nature (or not) and should be held outside the organizer's headquarters. It can last from a few hours to a week and the number of participants can

vary between a few and a few hundred or even a few thousand people (Bartosiewicz et al., 2003).

The fundamental features of business trips that differentiate them from traditional travels are the following:

1. It is a tailor-made product meeting the client's individual needs, which is why each time it is different (this applies especially to corporate products). The component elements are similar to those concerning leisure trips but a business event's programme is original, strictly matched to the selected group of recipients.
2. The product is a tool serving for the achievement of the company/corporation marketing aims or the institutional clients' statutory aims (Berbeka et al., 2011).

The literature includes numerous classifications and criteria concerning the definition of business events

types. One of the most often mentioned classifications has been proposed by the World Tourism Organization (UNWTO), which has divided business trips into:

- individual trips;
- group trips.

The most important forms of individual trips made by one person or a few people in order to achieve certain work-related objectives (for the period of up to 12 months) include (Terminologia turystyczna..., 1995):

1. Trade trips to other enterprises.
2. The conclusion of contracts and inspections.
3. the delivery of lectures and concert performances.
4. The installation of devices.
5. Trips made in relation to the professional sports practice.
6. Governmental and diplomatic missions made by the members of national governments, including diplomatic and military staff.

On the other hand, group business trips involve the participation in:

1. Training courses, seminars, symposia, study tours and site inspections,
2. Conferences.
3. Congresses and conventions.
4. Motivational journeys.
5. Fairs and exhibitions.

## 2. The business meetings market

All the forms of business tourism function in the area of the market of those meetings. A market is the total of exchange relations between the sellers, representing the supply of goods and services, and the purchasers, representing the demand for goods and services (Flejterski et al. (eds.), 2005). Therefore, the market of business meetings is a place in which the customers (business tourists) and the service providers (business tourism organizers) specify what and on which conditions they want to purchase and sell (Kamerschen et al., 2001)

Demand and supply are represented in the business meetings market by:

1. The business trips purchasers/ordering parties.
2. Professional intermediaries.
3. Business trips' service suppliers (Davidson, Cope, 2003; Rogers, 2008).

By the form of institution of the business meeting ordering party, we can distinguish three segments:

1. The corporations market.
2. The organizations and associations market.
3. The public sector (Berbeka et al., 2011).

The division of the service ordering party segment of the market has been presented in fig. 1 and the differences between the business meetings for the market of corporations and those for organizations and associations – in tab. 1.

A significant role in the organization of business meetings of any kind is played by professional intermediaries. They are entities whose activity consists in the conclusion of contracts with the suppliers of

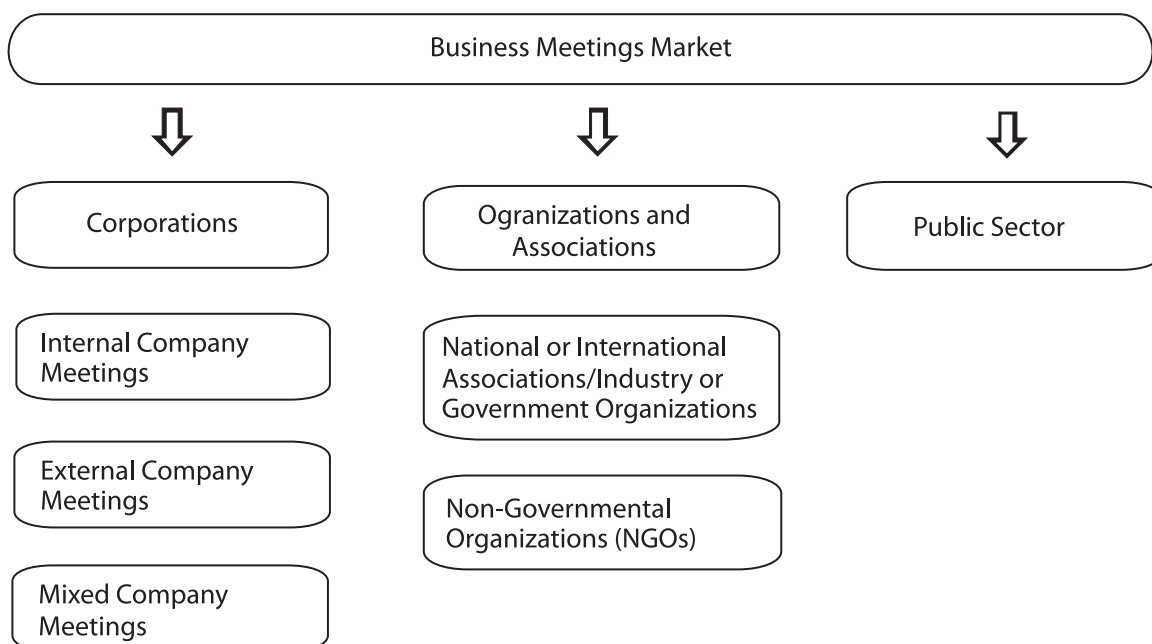


Fig. 1. Business Meetings Market Division

Source: Berbeka, et al., 2011 - based on Statistics Report 2010, 2011.

tourism services ordered by a specific A few types of intermediaries can be distinguished in the meetings industry market:

1. Professional Congress Organizer (PCO): an economic entity dealing with the organization and complex service of conferences, congresses and big events of an international scale. PCOs act at the commission of companies, governmental institutions, associations. Such agencies are often members of the industry's organizations including the International Association of Professional Congress Organizers (IAPCO) or Meeting Professionals International (MPI) (Berbeka et al., 2011).
2. Incentive Travel Office: an office that organizes motivational trips for a company's employees, implemented in reward for the results achieved and with the aim of motivating them to work better and get attached to the company. Such offices are associated in the international Society of Incentive & Travel Executives (SITE). Destination Management Companies (DMC) are offices acting in the destination of a given business trip (incoming agents). They dispose of detailed information regarding the venue of the tourism reception, and they cooperate with the local service suppliers in order to ensure accommodation, transfers, accompanying events. They often act at the commission of foreign PCOs.

3. Venue Finder Agencies: they work at the commission of companies or institutions in order to indicate the best venue for the planned event. They gather offers from the service suppliers and municipalities, and then, they present the best offer to the client, taking into account the location and the costs of tourism services in the given destination. Their income amounts to the commission collected from the manager of the venue finally chosen by the client.

4. Event and advertising agencies: they deal with the organization of various events and trips as well as business-marketing undertakings for companies and corporations

An important role on the meeting industry market is played by business services suppliers (Davidson Cope B., 2003; Rogers, 2008). Among them, one can differentiate:

1. Carriers (regular airlines and cheap carriers: train, ferry, car transportation).
2. The accommodation and conference base sector, including:
3. Hotels (equipped with conference rooms).
4. Training and recreation centrem.
5. Congress centres adapted to the organization of big conference events.
6. University centrem.
7. Exhibition and fair centrem.

Tab. 1. Basic differences between the market of corporations and that of organizations and associations

Corporate buyers	Association buyers
They work for a commercial company	They work for a non-profit organization
Decisions regarding the purchase of services related to business trips are taken quickly and not much in advance	Decisions regarding the purchase of services related to business trips are a long process subject to procedures (e.g. tenders)
The preparation of a business event requires a relatively short time (measured in weeks or, at the maximum, in months)	The preparation of a business event, e.g. an industry congress, requires a long time measured in years
Business clients organize various events throughout the year	Association market clients organize less diversified events throughout the year
The number of participants of the event usually amounts to less than 100 and rarely does it exceed 200 people	The number of participants of the events varies from 100 to a few thousand of participants
The costs borne per worker are usually relatively high because they are paid by the employer	The costs borne per participant of the event are usually low because they are paid by the member of the association
Corporate events are held throughout the year	Organization and association events are held usually in spring and autumn
A typical corporate event usually lasts between 0.5 and 1.5 of a day	A typical organization/association event lasts 2-3 days
Accommodation involves 3-5* standard hotels	Accommodation involves various forms, depending on the type and prestige of the association and the person covering accommodation costs
Participants are rarely accompanied by family members	Participants are frequently accompanied by family members

Source: Berbeka et al., 2011 (based on: Rogers, 1998, 2008).

8. Untypical places: castles, palaces, farms, mines and other post-industrial objects.
9. The sector of gastronomic services (restaurants, banquet halls in hotels, castles, mines and other places; catering companies).
10. The sector of tourism attractions, composed of:
  - a) the organizers of entertainment and recreation (animators);
  - b) the organizers of free time (amusement and theme parks, golf courses, spa & wellness, museums, galleries, cultural institutions, etc.).
11. The suppliers of audio-visual services, i.e. enterprises offering the equipment necessary to hold conferences (the so-called Congress Rental Network, i.e. sound systems, projectors, discussion systems, exhibition equipment, etc.).
12. Telecommunications companies offering devices enabling the remote holding of a conference.
13. Translators and interpreters.

### 3. The environment of the organization of business meetings

The market of the organization of business meetings is influenced by the environment in which a given enterprise or institution functions. Environment is the total of conditions, the interplay of various organizations (institutions) influencing the behaviour of particular entities in the market. The environment imposes limitations, it can create opportunities and influence the development (Marek (ed.), 1999).

The microeconomic environment is the total of the factors that influence entities creating business meetings. According to M.E. Porter (2001), they include:

1. The threat of new entrants (new entrants).
2. The bargaining power of clients (purchasers).
3. The bargaining power of suppliers (suppliers).
4. The threat of substitution products or services (substitution products);
5. The rivalry over positions among the current competitors (competitors).

The microeconomic environment is composed of the conditions in which the entity functions, as results from its activity in a specific country, region, climate zone, geopolitical, legal, systemic regime, etc. It is a set of uncontrolled and entity-independent factors, creating specific market possibilities as well as posing certain threats to the entity, thereby conditioning its functioning (Gołembski (ed.), 2006).

The most important elements of the macro environment include the following environments (Gołembski (ed.), 2006):

- institutional and legal,

- economic,
- sociodemographic,
- environmental,
- technological,
- foreign.

### 4. The conditions of the organization of business meetings

The development of the organization of business meetings is influenced by many conditions, such as demographic, political, economic, social (including psychological) and cultural conditions. A multifaceted description of the conditions of the creation and development of the business tourism product as well as a diagnosis of those phenomena require an analysis of information coming from both primary and secondary sources, mainly due to the complexity of the processes and the interdependence in the sphere of tourism as well as the dynamics of the occurring changes (Wanagos (ed.), 2004).

The general market factors increasing and decreasing the number of business meetings include:

1. Tourism assets and a rich tourism infrastructure (in the country or region of the tourism reception).
2. A good economic situation, stable political relations, the lack of financial or administrative limitations (in the country of the tourism emission).
3. Transport switches: the condition of the transport equipment, transit obstacles (inspections, fee charges, waiting on the border), delays resulting from switching the means of transport (Kaprowski, 2004).
4. The prices of tourism services: the diversification of prices depending on the means of transport, the category of the hotel or the number of services purchased allows for a fuller use of tourism goods (Kaprowski, 2004).

Apart from the general market factors, regional elements favourable to the development of business tourism can be distinguished. Among others, they include (Cieślowski, /no date/):

- the maintenance and development of convenient communication connections;
- the enriching and diversification of the accommodation offer;
- the maintenance or opening of a new headquarters of a higher education institution;
- the acquisition or maintenance of hotel objects owned by international networks;
- the development of infrastructure being favourable to the spending of free time;

- help with opening the headquarters of the organizer of fairs, exchanges, trade exhibitions;
- the launching of an investor/investment's customer service office;
- the development of the existent and the creation of new conference rooms (Sidorkiewicz, 2011).

## 5. The conditions of the organization of business meetings in Poland

The creation and development of the business meetings product is influenced by (Sidorkiewicz, 2011):

- institutional conditions;
- human resources conditions;
- logistics and transport conditions;
- financial conditions;
- currency-price conditions;
- investment conditions;
- innovation conditions;

Many institutional entities can influence economic growth and the manner of activating and then using the influence of the factors favourable to the satisfactory dynamics of the country's economy (Pajda (ed.), 2000). However, it is not only the government and local government administration organs that can influence the development of the organization of business meetings.

Within voivodeships, there are organizations whose aim is the development of tourism in the region, as well as sets of entities acting in the sphere of tourism services (they are mainly intermediaries and tourism agents, hotel business companies, catering companies and passenger transport companies) (Sidorkiewicz, 2011).

The main role in the shaping of the development conditions on the administrative level is played by voivodeship marshal offices (departments responsible for tourism in the voivodeship, related with the development of tourism and the implementation of the statutory tasks specified in the. It is those offices that, through proper cooperation with market entities, create the environment that influences their development and actions as well as create the given city as a modern place and an attractive meeting industry destination. Apart from government and local government institutions, associations and non-governmental organizations acting to the benefit of tourism can be distinguished as beneficial to the conditions of the functioning of business meetings service entities. They include:

1. Regional tourism organizations (ROT).
2. Tourism boards.
3. Associations acting in the area of tourism, dealing with thematic publishing houses, training

courses, fairs and the service and organization related to tourism-promoting undertakings.

4. Branches of the Polish Tourist and Sightseeing Society (PTTK).
5. Branches of the Polish Youth Hostels Society (PTSM).
6. Convention Bureaus, i.e. the entities whose aim is first and foremost the promotion of the given city and the voivodeship within which it acts, presenting them as attractive business tourism destinations (Sidorkiewicz, 2011).

Convention Bureaus are the units that have been created in order to promote the city and region as appropriate venues for the organization of business meetings. The tasks of local convention bureaus may involve the following:

- business customer acquisition by the active promotion of services in the Internet as well as through promotional folders and the participation in industry fairs and articles in foreign press;
- the preparation of comprehensive offers for business tourist groups based on the cooperation with the tourism industry entities in the region;
- the provision of professional customer service to business tourists during their stay;
- the preparation of exemplary offers for free time spending and motivational trips;
- the maintenance of a website including the available offers by entities declaring cooperation as well as information concerning the region and its attractions;
- advisory services in the field of the selection of the appropriate set of services and the professional organization of business trips;
- the organization of a study tour;
- the coordination of the activity with the existing structures of the promotion of economic, cultural and sports events as well as the integration of the academic circle of the Programme of the Polish Congress Ambassadors;
- the dissemination of information regarding hotels, conference bases, business tourism organizers for all the interested entities such as associations, organizations, institutions, enterprises and others;
- replies to e-mail and telephone queries;
- the cooperation with the industry, the Convention Bureau of Poland, the municipal convention bureaus from the whole of Poland and the world, the "Conferences and Congresses in Poland" Association, municipal authorities, local and regional tourist organizations, private entities;
- the participation in conferences and industry meetings;



- the monitoring of the conferences, congresses, fairs and meetings held;
- the cooperation with the media regarding the promotion of the congress offer.

The key factor influencing the success of the business meetings product creation is the human factor. Qualified, creative staff is the guarantee of success of the meeting organized. In Poland, the educational offer regarding business meetings organization is relatively poor. However, there is a possibility of further education on vocational training courses within the European Academy of Conference Organizers or the Future Leaders Forum (FLF) – a programme dedicated to students with the aim of encouraging them to work in the meetings industry.

What is especially important to the development of the business meetings industry in a given region is the possibility and pace of reaching the given area, i.e. the condition of the transport and logistics system (Sidorkiewicz, 2011).

The areas with poorly organized communication network are less attractive and less successful in business meetings acquisition. Meeting/conference venues within easy and fast reach from major cities allow for the organization of a meeting of a larger scale of the guests and participants invited. The major transportation branches directly influencing the effectiveness of business meetings acquisition include air transport, rail transport and road transport. The key transport type is air transport. It is especially important to the organization of international meetings but recently growth has been observed in the use of air transport in the national guests' service. Air transport is a good alternative to rail transport, which lately has been suffering regression with regard to the needs of the meetings served. Unfortunately, air transport significantly increases the costs of organizing a big conference meeting as compared to rental within road transport.

The lack of direct, fast connections between big cities resulted in few big company meetings of enterprises having their headquarters in Warsaw being organized for example in Pomerania. After the modernization of the railway network, the launching of PKP Intercity Premium connections (on 14<sup>th</sup> December 2014) and the development of highways, the travel time decreased significantly, which opened new possibilities for the organization of business meetings to be used in the future. The general principle of a meetings organizer is to select such locations which do not involve travel time exceeding 2–3 hours. Road transport, although it is more economic, is risky in the moment of the organization of the meeting, especially in winter. The Polish roads network as well as the lack of a proper number of

highways and expressways in some cases result in the resignation from organizing a business meeting in the given region as the risk of a significant delay influencing the whole logistics of the meeting can prove too high. Therefore, all the organizers attempt at avoiding such events which would require transporting the participants via the Polish roads, which in turn results in the loss of possibilities for the municipalities that are distant from the major cities, for objects, the economy, and for the development of regions (Sokołowska, /no date/).

Until 14<sup>th</sup> December 2014, despite the good network of connections between the major cities, the rail transport was poorly used as the means of transport related to the organization of conferences. Unfortunately, the travel time and the cleanliness of carriages discouraged from taking up such challenges. However, a regularity can be noted according to which rail transport enjoys appreciation among the participants of scientific conferences. The organization of business meetings requires an appropriate, attractive and modern infrastructure and wide information regarding the goods offered.

The development of the accommodation and conference infrastructure and the promotion of regions will not be possible without proper money streams. Since its entering into the structures of the European Union, Poland has been using the European funds. Thanks to these forms of help, new elements of tourist infrastructure emerge and the need for organizing business meetings increases. All of this positively affects the development of the whole "meetings industry".

Big events also entice cash flows into the market. In 2012, Poland hosted a great sports show, the UEFA European Football Championship, and in 2014, the Volleyball Men's World Championship was organized. Both of these sports events, apart from promoting Poland as an attractive tourist place, brought the growth of the potential of the organization of business meetings.

The needs related to the emergence of a new infrastructure allowing for the organization of events of such a type resulted in the inflow of money for the construction of additional roads and sports objects. For example, after the end of the championships, stadiums were transformed into, among other things, venues for the organization of meetings and amusement centres, and the newly constructed hotels that had emerged in order to guarantee the required number of accommodation places, were left at the disposal of tourists.

The business meetings market is vulnerable to the economic situation. The progressive economic crisis puts a drag on the business meetings market

as well as it results in the search for cheaper alternatives for the organization of meetings. On the one hand, it is a negative situation; on the other hand, it creates new solutions, looks for a compromise with the use of less prestigious, cheaper locations.

Nowadays, technologies have entered our lives for good. The Internet and the opportunities it provides have resulted in a constant race with regard to new improvements, the facilitation of the use and acquisition of information from actually each sphere of life. This applies also to the industry of business meetings.

Each and every essential business location (a conference room, a hotel or a tourist attraction) has its own website thanks to which the necessary information can be acquired without leaving our workplace. There is a set of Internet portals gathering the data related to a given topic in one place; the konferencje.pl portal can serve as an example as it provides information related to the possibilities of conference rooms across Poland, and thanks to an advance search engine it allows for the fast finding of the rooms equipped with particular devices of our interest. Innovations are to be found also with regard to room booking for the participants of our meeting. Thanks to such platforms as for example booking.com, Expedia.com, venere.com, we can make a fast and easy booking with a true guarantee of the lowest price.

Apart from the sphere of the meetings organization, innovations have also entered the meeting room. Nowadays rarely does one see a lecturer who does not use multimedia presentations screened with the use of a projector for the other participants. Paper conference materials have been replaced with information saved on data carriers or sent via the electronic mail to the interested addressees.

An interesting form of conferences is represented by video- and teleconferences. These are meetings whose participants are located in various places but communicate and participate in the meeting thanks to an Internet or telephone connection. Initially it was thought that this form of meetings would dominate the meetings market. Saving on the room rental, accommodation booking and catering, and first and foremost, on time, encouraged to this alternative form of conferences, which had supporters and opponents alike.

Today we know that the traditional form of conferences won. A conference is not only a performance and a lecture. It is also a meeting involving discussion and the exchange of knowledge and experiences.

## 6. The benefits of the creation of favourable conditions for the organization on business meetings – a summary

Scientific research conducted in Western Europe shows that the organization of business meetings can bring numerous benefits, especially with regard to economics. The average daily spending of the participants of national and international congresses are more than two times higher than that related to the classic residential tourism (Łobożewicz, Bieńczyk, 2001), and the organizers throughout the world reach the annual income amounting to USD 100 billion (Hadaj, 2001).

The activity of the organization of business meetings is characterized by two features resulting from the progressive globalization, determining its economic influence on the environment. The first one is the demand feature which is expressed by the surge of the international tourist move in relation to the national tourism; the second one is related to the supply, and more specifically, to the increasing incomes of the enterprises whose activity is connected with tourism (e.g. airlines, hotels, cultural organizations, sports undertakings organizers, entertainment, etc.) (Sidorkiewicz, 2011). The expenditures of tourists can create a significant income stream for both enterprises and regional and local budgets, therefore contributing to the growth of their economic potential (Marciszewska, 2005). A more detailed advantages for local communities can be classified as follows:

- investments in the field of the conference and congress infrastructure, the costs of which are borne by public authorities;
- the expenditure of participants – tourists – in the host country and cities;
- the expenditure of congress organizers;
- the subsidies of public authorities (Gaworecki, 2006).

The economic benefits related to the organization of conferences should also be noted:

1. The contribution to the sustainable balance of payments thanks to the foreign exchange expenses of the foreign congress participants.
2. The stimulation of the tourist economy (e.g. transport, hotel industry, catering industry, local trade).
3. The incomes of the public authorities gained through the direct fiscal policy applied with regard to the economic operations of congresses.
4. The maintenance of employment and the creation of new work places.
5. The multiplier effect of foreign exchange inflows (Gaworecki, 2006).

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