Converting business travellers to leisure travellers

Gregory Kerr
*University of Wollongong*, gkerr@uow.edu.au

Katie Lazarevski
*University of Wollongong*, katiel@uow.edu.au

Sara Dolnicar
*University of Wollongong*, s.dolnicar@uq.edu.au

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**Recommended Citation**
Kerr, Gregory; Lazarevski, Katie; and Dolnicar, Sara: Converting business travellers to leisure travellers 2009.

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Keywords
era2015

Disciplines
Business | Social and Behavioral Sciences

Publication Details

This conference paper is available at Research Online: https://ro.uow.edu.au/commpapers/516
CONVERTING BUSINESS TRAVELLERS TO LEISURE TRAVELLERS

Greg Kerr, Katie Lazarevski*, Sara Dolnicar*
School of Management & Marketing, University of Wollongong, Wollongong, NSW
Email: firstname_lastname@uow.edu.au
* Marketing Research Innovation Centre (MRIC)

Theme: ‘Changing Perspectives’
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ABSTRACT
The aim of this paper is to propose a novel strategy for attracting vacation tourists to destinations, especially destinations that are not in the favourable position of having a strong positive brand image as a tourism destination. This involves the conversion of involuntary first time visitors, such as business travellers, to tourists who spend leisure time at the destination. An empirical study was conducted to investigate if this proposed strategy is practically viable. Results indicate that involuntary first time visitors with a high intention to return as tourists in their leisure time have distinctly different characteristics in terms of how they perceive the destination as well as their vacation preferences, which makes them a distinct market segment that could actively be targeted by tourism destinations as well as accommodation businesses and attractions.

INTRODUCTION
Some places have strong destination images. Hawaii and the Maldives equate to sun and fun vacations; St. Moritz and Vale to skiing holidays; and Paris and London to cultural tourism. Many destinations, particularly those that are in the early stages of tourism development, do not have such strong images and therefore need to deploy marketing strategies concentrating on informing potential visitors of the attractiveness of the destination. This is a challenging task if potential tourists either have no image or even a negative image of a destination. More specifically, the challenge lies in conveying an attractive, yet realistic image of a destination to potential tourists. In so doing, the destination can hopefully reduce the level of perceived risk by potential tourists (Sonmez & Graefe, 1998) and encourage them to choose the “new product”.

Similar to other consumer markets, potential tourists are encouraged to visit a new destination in two ways: through extensive promotional campaigns targeting potential tourists - a pull strategy (Kotler & Keller, 2006), or by promoting to tour operators and even inviting them to visit (referred to as “famils”) and who will in turn influence people to visit - a push strategy (Kotler & Keller, 2006). Both strategies aim at reducing perceived risk. Promotional campaigns do this by trying to present the destination in a way that is as tangible as possible to potential tourists. Inviting tour operators reduces perceived risk by training “destination experts” who potential tourists have a relationship with and trust in their assessment of the destination.

A third possible avenue of attracting potential tourists through reducing perceived risk has not received much attention to date i.e. trying to convert people who visit the destination for reasons other than a vacation, people who are possibly even “required” to visit a location (Swarbrooke, 2001) into tourists who voluntarily return to the destination for a holiday. The aim of the present study is to explore the potential of such a strategy. Throughout the manuscript we refer to people who are required to visit a destination that they have not visited before as “involuntary first time visitors”, and use the label “business travellers” to refer to them in acknowledgment that they are here for a business related activity, such as a conference or business meeting, not a leisure activity.

LITERATURE REVIEW
To the best of the authors’ knowledge no research has studied the potential of converting involuntary first time visitors to voluntarily tourists who return to the destination for vacation purposes. The body of work that is closest related to the present study is research into repeat visitation within the tourist market. For example, Gitelson
and Crompton (1984) identified the following factors which contributed to people returning to a destination: a reduced risk that an unsatisfactory experience would be forthcoming; an assurance that they would find “their kind of people” there; emotional childhood attachment; to experience some aspects of the destination which had been omitted on a previous occasion; and to expose others to an experience which had previously been satisfying. A number of authors including Babu and Bibin (2004), McKercher and Wong (2004), Moutinho and Trimble (1991) and Li, Cheng, Kim et al. (2008) identify differences between first time visitors and repeat visitors within the leisure tourism market. Alegre and Cladera (2006) identified the high repeat visitation rate which exists in mature ‘sun and sand’ tourism markets. They found that in a European mature sun and sand destination repeat visitors were more likely to revisit again than first timers, although members of both groups being unlikely to revisit if satisfaction is low. Lau and McKercher (2004) explain that - in the case of Hong Kong - first time visitors came to explore, while repeat visitors came to consume. Petrick (2004) found that there were distinct differences between the antecedents of first time visitors' and repeat visitors' perceived value and Ledesma, Navarro and Pérez-Rodríguez (2005) found that the length of the stay and the information obtained from previous visits and/or relatives and friends might increase the return to a destination.

Oppermann (2000) with reference to repeat visitation refers to brand loyalty and points out that while the concept of brand loyalty has been used in the marketing literature for more than 40 years, he is not aware of any tourism study that specifically addresses this issue in a destination context. His exploratory study concludes with a recommendation for studies in destination loyalty to be undertaken at both destination and operator levels. The authors of this work suggest that not only does this study have relevance to brand loyalty as proposed by Oppermann, there is also scope to investigate and apply the theory and practice of brand extensions. Kotler et al. (2007) define the use of a successful brand name to launch new or modified products in a new category.

The studies identified in this research on repeat visitation deal with the leisure market given that, as Oppermann (2000) states, in the business market there is often no destination choice. In many cases, business travel and leisure travel should not be treated as mutually exclusive events. Riddle (1999) suggests that two-thirds of business travellers extend their business trips for pleasure. Shoemaker et al. (2007) and Davidson (2003) suggest that pleasure travellers and business travellers are becoming the same person. Many spend extra time in a business location to see the sights or relax – being both a non-vacation tourist and a vacation tourist during the course of one visit. Despite the identified merging of business and leisure tourism there may be cases where business tourism contributes to a future leisure tourism decision. As stated, Gitelson and Crompton’s (1984) study identified that some return visits were undertaken primarily to expose others to the experiences which had previously been satisfying to a person. In some of these cases they identified that business trips facilitated a reconnaissance of the area. One of their respondents stated: “My husband will often have been somewhere on a conference, had a great time, really enjoyed it, and he will say ‘we shall have to go there as a family,’ and then we do it.”

Jansen-Verbeke et al. (2005) in their study of tourism in Brussels reported that 74% of overnight stays were business related and identified the challenge to add assets in terms of leisure and cultural activities and to strategically redesign the image of Brussels as a tourism place.

Although not a tourism study, the research of Mitchell and Orwig (2002) into the effects of visits by people to a consumer goods manufacturing plant has relevance to this study. They introduce ‘involvement theory’ which suggests that “consumers who have
witnessed a product’s production may become more brand loyal as a result of their identification with the product, their familiarity with the production process, their first hand interaction with employees, first hand witness to their quality assurance processes and other internal needs” (p.34). A location has the opportunity to provide familiarisation and experience with the tourism product to members of the non-vacation tourism market to potentially result in loyalty and consumption on future occasions even as a member of another market – the vacation tourism market.

**METHODOLOGY**

A ‘paper and pencil’ survey was undertaken in the City of Wollongong, within the Illawarra Region on the east coast of Australia, approximately 80 kilometres (48 miles) south of Sydney. The city has a population of 184,212 (Australian Bureau of Statistics, 2006) and is overcoming its prior image as a ‘steel town’. It has a broadening industry base which includes growing vacation tourism activity. The University of Wollongong, the nearby Port Kembla Steelworks and support businesses, coal mines, government and corporate officers, and a busy freight port result in a solid demand for accommodation derived from non-vacation tourism. The characteristics of the city are ideal for the purpose of this study being to investigate the potential to convert non-vacation tourists to vacation tourists.

This study sought to identify the potential of ‘first time non-vacation tourists’ to be converted into future consumers in the city’s vacation tourist market. The fieldwork yielded a sample of non-vacation travellers containing a total of 112 respondents, 33 of whom have never been to Wollongong before and are here for non-vacation purposes. Of those first time non-vacation tourists (33 in total) 85 percent came for a conference, 9 percent for a wedding or family function and 3 percent for a business meeting and 3 percent for an ‘other’ reason.

The questions were developed to first establish a profile of the respondent, commencing with qualifying questions to establish their tourist status and the purpose of their visit. Some general demographic data were obtained as well as confirmation that they had experienced the city as opposed to just having arrived or had been at an in-house conference for the entire visit. Respondents were asked to rate, on an 11-point scale, the likelihood of a return visit for a vacation. The 11-point probabilistic Juster scale was used to measure behavioural intention (Juster, 1966). The scale was selected as it is acknowledged that the probability variable predicts more accurately and effectively than the intention variable (Day, Gan, Gendell, & Esslemont, 1991). The response alternatives of the Juster scale include: 10 – Certain, practically certain (99 in 100), 9 – Almost sure (9 in 10), 8 – Very probable (8 in 10), 7 – Probable (7 in 10), 6 – Good possibility (6 in 10), 5 – Fairly good possibility (5 in 10), 4 – Fair possibility (4 in 10), 3 – Some possibility (3 in 10), 2 – Slight possibility (2 in 10), 1 – Very slight possibility (1 in 10), 0 – No chance, almost no chance (1 in 100). Participants were asked to agree or disagree with statements about the city as well as the vacation tourism product which would appeal to them. The questionnaire was pretested with five adults from Wollongong and five adults who were first time visitors to ensure that all questions were understandable and meaningful to respondents. A few modifications were made based on the pretesting. In its final version, the questionnaire included 21 questions and was 4 pages in length. Details of the questions asked are provided in the Results section below. Based on the pre-test, it took respondents between 15 to 20 minutes to complete the questionnaire.

The questionnaire was distributed through five hotels in the city which were located close to the city centre and who host both vacation and non-vacation guests. At the time of the study these hotels counted for approximately 53 percent of accommodation.
within the city centre (Tourism Wollongong, 2008). Three of these were major providers of conference facilities for the city. The questionnaire was given to visitors on arrival by staff at the reception desk and they were asked to complete just prior to their departure. Respondents were provided with a reply-paid envelope which allowed them to post the completed questionnaire to the researchers or return to the reception desk of the hotel which was then passed on to the researchers. In addition, some business conferences were attended by the researchers on the last day of the conference to distribute and collect the questionnaires. Data were entered into SPSS which was also used to conduct frequency and descriptive statistics.

RESULTS

On average the involuntary first time visitors to Wollongong stayed for three nights. From the response options available, no respondent indicated that they had ‘a lot’ of opportunity to experience Wollongong, while 46 percent stated that they had ‘a little bit’ of opportunity and similarly, 46 percent stated that they had ‘not much’ opportunity. Only six percent responded with a ‘not at all’ statement to the level of opportunity to experience Wollongong. Sixty percent of the respondents were male and the majority was aged between 36 and 55, 81 percent were partnered or married with or without children. Of those living in a family environment, 42 percent stated that they are responsible for holiday decisions while 24 percent indicated that their partner took responsibility. In all other cases the entire family is involved in the decision.

Respondents who were classified as involuntary first time visitors were asked to indicate their agreement with a list of image and activity statements (Figure 1 lists all the available answer items). Visitors had a predominantly positive impression of the destination. A total of 94 percent of respondents agreed that the environment of the destination is clean, 93 percent agreed that the area has nice beaches, 81 percent supported the image statement ‘spectacular lookouts’, and 73 percent supported both statements that the destination is “ideal for short breaks” and is “easy to access”.

Figure 1: Average evaluations of Wollongong by involuntary first time visitors
In order to identify how involuntary first time non-vacation visitors could most effectively be converted to repeat visitors as tourists, two groups of first time non-vacation visitors are compared: those who express a high intention to revisit Wollongong as a leisure tourist (30 percent of the first time non-vacation visitors) and those who express a low likelihood to do so (30 percent of the first time non-vacation visitors). A significance level of 10 percent was set for all statistical tests conducted. Cross-tabulations were conducted to test for differences between the high-intention to revisit group and the low-intention to revisit group. The variables used to test for significant differences will be explained in detail in the next paragraphs.

Before considering how to convert those in the non-vacation market to the vacation market, it is necessary to consider who is making the travel decisions in the household. As stated earlier, a question required respondents to identify the primary vacation decision maker within the household, asking “In your household, who makes the main travel decisions for a holiday”. Options included their partner, themself, their children or ‘other’, which included respondents specifying it is the whole family, including their children, and both themselves and their partner who make the decisions. The cross-tabulation rendered a significant chi-square result (p-value = 0.047). In this case, those...
respondents with higher intentions to revisit (90 percent) are more often convinced that they are making the travel decisions in the household, as opposed to the low intention to return participants, of which only 33 percent believe the decision is up to them. This result has very direct practical consequences for destination marketing: the communication strategy could be targeted specifically to these involuntary non-vacation travellers as they are identified as chief decision makers in their family unit for the subgroup of involuntary first time tourists who have a high intention to return to the destination as vacation tourists.

The destination image perceived by the first time involuntary non-vacation visitors was captured in order to assess differences between groups. A series of 21 statements were used to determine the perceived image of Wollongong (“Please indicate your agreement with each of the following statements”), with the answer options for each statement including ‘agree’, ‘disagree’ or ‘not sure’. The image attributes used in this question were the results of extensive qualitative work aiming at identifying what Wollongong currently stands for and what regional tourism management wishes it to represent to tourists in the future. Examples include “great beaches”, “easy to access”, “clean environment”, “is great for surfing”, “entertainment”, “museums and galleries” and “family entertainment”, with some negative phrases like “polluted air”, “boring”, “steel town”. The image items were cross-tabulated with the high- and low-intention to return groups in order to understand differences in image. Destination image items which rendered a significant result included the image attribute “wide selection of accommodation” (p-value = 0.068), 60 percent of the high intention to return group agreed with this statement, whereas 80 percent of the low intention to return participants disagreed. While this image item is beneficial from the perspective of the destination as a whole, or to regional tourism destination planners, it should be approached with caution by hotel management. Hotel operators must realise that they would have to convince the first time visitor to not only come back to Wollongong but also return to the accommodation that they stayed in on their first visit.

Another image item which rendered a significant result was “good base for short drives to other locations” (p-value = 0.025) with 80 percent of those with a high intention agreeing with this statement, compared to only 30 percent of the low intention group. This provides an opportunity for destination management to build up a network of attractions with a message that Wollongong is a great base for a vacation but there is much more to do in the area. This result would support the notion of a package vacation with multiple parts. Another option would be to highlight specific drive or route planners with information about potential stops along the way. Furthermore, the image item “ideal for short breaks” rendered a significant relationship between intention to return and the image item (p-value = 0.006). Every high-intention to return respondent believes the destination is ideal for shorts breaks, and considering the previous image item “good base for short drives to other locations”, an alternate marketing campaign component is possible where a combination of the two image items forms a focus on a short break vacation with an element of visiting nearby towns. Only 44 percent of the low intention to return group would consider the destination “a good base for short drives to other locations”.

The image that Wollongong is “great for bushwalking” was stated to be in agreement with 33 percent of the high intention to return group (p-value = 0.047). In comparison, not one member of the low intention to return group considered the destination a great spot to bushwalk. Generally, the image of a bushwalking destination did not come across to participants and indicates that this item should be further investigated in terms of the attractiveness to those involuntary first time visitors likely to return as leisure travellers.
The image of “spectacular lookouts” could play a major role in presenting Wollongong to those respondents who specified a high intention to return as this variable generated a significant result (p-value = 0.060). While 90 percent of high intention to return participants agreed with the image statement, only 70 percent of low intention to return agreed.

A “wide selection of restaurants” was another variable in agreement with 90 percent of those respondents that were classified as high-intention to return (p-value = 0.019). This image can easily be relayed through the communications campaign aimed at business travellers. Only 40 percent of the low intention to return group indicated their agreement with this statement.

Ninety percent of high-intention to return respondents agreed that the locals were friendly, as opposed to only 50 percent in the low intention to return group (p-value = 0.051).

Interestingly, all involuntary first time visitors who specified that they have a high intention to return for leisure travel agreed that the destination is ideal for a family holiday (p-value = 0.000), a highly significant finding which would indicate a clear market opportunity. Meanwhile, only 22 percent of the low intention to return group agreed that the destination is ideal for a family holiday.

In another question, “Which of the following types of activities do you think Wollongong would be a suitable destination for?” a series of 12 activities was listed. Respondents were asked to tick those activities that Wollongong offers. Examples of the activities included in the questionnaire are “fun and freedom”, “sports”, “arts”, “adventure”, “sight-seeing”, “food and wine”, “bushwalking”, “beaches”, “education”, and “conference”. The only two variables that rendered a significant result were “health and relaxation” (p-value = 0.068) and “ecotourism” (p-value = 0.060). A total of 80 percent of the high-intention to return group agreed that the destination suits a health and relaxation holiday type (as opposed to 40 percent of the low-intention to return group). Seventy percent of the first time business travellers with a high intention to return also indicated that the destination is not suitable for an ecotourism type of holiday, while every single participant in the low-intention to return segment assessed Wollongong as a non-ecotourism destination.

Another question, also containing a set of 12 items, was used to obtain information on the holiday preferences of the two groups (“Please tick the following types of holidays you regularly go on when taking a leisure vacation”). Examples of these holiday types include, “health and relaxation/wellness”, “beach”, “fine dining”, “rekindle relationships”, and “take kids/family away”. The only significant variable from the cross-tabulations of each of the 12 holiday types and the two groups of participants was “health and relaxation” (p-value = 0.074). This is an important finding because most involuntary first time visitors believe Wollongong has great beaches, is not boring, is clean, etc. but the group of respondents who have a high-intention of returning as leisure tourists also believe that the destination is good for health and relaxation holidays, and 70 percent of them stated that they typically go on this type of a holiday (as opposed to only 30 percent of the low intention to return group). This finding points to a possible new market niche that the destination may want to consider, especially if the aim is to achieve maximum conversion of involuntary first time visitors to become vacation tourists.

In order to gain richer insight into respondents’ perceptions of the destination, two open-ended questions were included in the questionnaire asking them to state which aspects of the destination they liked and which aspects they did not like (“On your
return to your home town/city, what is the most (un)favourable comment you would make to friends and family with reference to Wollongong"). Favourable comments made by high-intention respondents included the beauty of the area (mentioned by 29 percent of high intention to revisit respondents), comments about the scenery (stated by 35 percent), “friendly people” (24 percent), “beaches” (18 percent), close proximity to Sydney (18 percent), a “quiet” and “safe” environment (18 percent), and good facilities and things to do (12 percent).

To understand more about respondents with a low intention to return as leisure travellers, their unfavourable comments were analysed. These comments included complaints about the traffic and road congestion of the city centre. The centre being in need of some revitalisation was an issue of concern to 10 percent of the low-intention to return participants.

CONCLUSIONS

The aim of this study was to investigate the potential to convert involuntary first time visitors into future vacation tourists. Results indicate that the opportunity of conversion exists because those involuntary first time visitors who expressed a high intention to return as vacation tourists had a number of characteristics that were distinctly different from those involuntary first time visitors who expressed low intentions to revisit the destination in their leisure time.

More specifically, involuntary first time visitors that indicated a high intention to return as leisure travellers are characterised by a belief that the destination is a good base for short drives to other locations, has a wide selection of accommodation, is ideal for short breaks, and has spectacular lookouts, beauty, and friendly locals. The most significant findings are that all involuntary first time visitors who specify that they have a high intention to return for leisure travel agree that the destination is ideal for a family holiday, and that the destination would suit a health and relaxation leisure vacation. Additionally, the high-intention to return group typically seek health and relaxation style holidays which flags this as promising target market segment for future conversion efforts.

While this is an exploratory study, these results contribute to tourism theory by identifying a novel approach to destination marketing and providing first empirical evidence that this approach could be practically viable: the conversion of involuntary first time visitors typically being introduced to the destination in a business-related way and during their working time to vacation visitors who visit the destination in their leisure time. The main advantage of this approach from a consumer psychology point of view is that potential tourists have the opportunity to experience the destination first hand before committing time and resources and risking unpleasant surprises when they take their family on vacation.

The results are also of direct practical value. Locations with a weak or even negative image as tourism destinations can use this avenue actively to recruit vacation tourists through business tourism. This avenue of attracting tourists can be used by destination management organisations or, on a smaller scale, by accommodation businesses or tourist attractions.

The findings from this study are limited in two ways: sample size and behavioural intentions. Surprisingly, despite the small sample size it seems that the differences between high and low intention involuntary first time visitors are so distinct that very clear differences could be identified. In future it would be interesting to analyse a larger sample, which would also make it possible to assess whether different kinds of non-leisure visits lead to a high likelihood to revisit. For instance, one could hypothesise that
coming for a family function is a more pleasant experience than attending a conference and that therefore the intention to revisit would increase. The sample size for this study did not permit testing of such hypotheses. Also, a larger sample would permit statistical analysis – like binary logistic regressions – which would enable researchers to assess all variables in one model. Second, all our analyses are based on stated behavioural intentions as the independent variable. Preferably actual behaviour should serve as the variable that is being explained. Such data, however, would be extremely challenging to collect.

Although this study and its findings are location specific, it is suggested that the methodology will be applicable to other locations that may see the conversion strategy as being more effective than launching broader promotional campaigns to segments of potential tourists who are being asked to make a high risk decision to purchase a product for which there is no prior consumption and perhaps even negative brand perception. The underlying principle in our conversion strategy is that as in other industries, many consumers, if given the necessary information, will remain brand loyal when they move from being a consumer in one market to a consumer in another. The findings have consistency with involvement theory as proposed by Mitchell and Orwig (2002) in that once a member of the non-vacation market has become familiar with the product and had first hand interaction there is a likelihood of brand loyalty which may be taken into the vacation tourism market. Despite the potential benefits of the conversion strategy destination marketers will need to be reminded that due to the ‘involvement’ of non-vacation tourists, promotion alone will not be enough to succeed. By their involvement the non-vacation tourist is able to evaluate the tourism marketing mix, particularly the product, which if viewed favourably will likely lead to a conversion to the vacation market.
ACKNOWLEDGEMENTS

The authors would like to thank Mr Walter Immoos, General Manager, Novotel Northbeach, Wollongong, Mr Greg Binskin, General Manager, Tourism Wollongong and Mrs Vera Cvetkoski, Sales and Marketing Manager, Tourism Wollongong for their advice and generous support, as well as the Novotel, Rydges, IBIS, Normandie hotels in Wollongong for their assistance.

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