

**Tourism and Hospitality Management**

**Master Thesis No 2003: 26**

**BUSINESS TRAVELERS AND GÖTEBORG**

**AS A BUSINESS DESTINATION.**

THE CASE OF CHINESE BUSINESS TRAVELERS TO GÖTEBORG

Ruby Bleppony, Agnieszka Ferenc & Anna Korybalska

Graduate Business School

School of Economics and Commercial Law

Göteborg University

ISSN 1403-851X

Printed by Elanders Novum

# Abstract

Business travel is considered to be the backbone of the tourism industry. Research has shown that business tourism has grown and continues to experience growth as a segment of the tourism industry.

The objectives of this paper are: to explain the systems of categorizing business travellers; to describe how the Göteborg business community tries to attract business travellers to the destination; to describe what measures the hospitality industry takes to create products to suit the needs of the business travel group; to analyze the satisfaction of Chinese business tourists to Göteborg as a business destination and identify holes in services provided by the tourism and hospitality industry in meeting the needs of business travellers – pointing out new opportunities and discussing how to fill in the existing gaps in the industry system. And finally, create awareness of the importance of the potential Chinese business traveller to the tourism and hospitality industry in Göteborg.

*Business travellers and Göteborg, as a business destination*, discusses different approaches on how to view the types of guests to the destination, providing three major groups. It identifies what the destination could offer them as service providers, with regards to their needs and expectations, in order to gain customer satisfaction. The Chinese business travellers, as the case in this research, have

unique behavioural patterns in terms of business travel and hospitality issues. Service providers understanding these special features could create a new market to fill the gap in their business.

**Key Words:** Business traveller, business destination, service providers in the tourism and hospitality industry, service quality / customer satisfaction.

## Acknowledgements

The authors of this thesis would like to thank all the companies and the people within those companies who assisted in the data gathering process, who gave their time, attention and effort to help to bring this thesis to life. Authors would like to especially thank Elisabeth Thörnblom from Svenska Ostindiska Companiet, without whom the thesis would lack a number of essential information concerning Chinese delegations. Your warmth and readiness to help is very much appreciated. Special thanks also goes to Sture Perfjell for the contacts and the insights provided, concerning the Chinese business delegations.

We express our sincere gratitude to Tommy Andersson, our supervisor and head of department, for his guidance and the materials provided for our paper.

And to all who have contributed in diverse ways to bring our thesis to an end, we say “tack så mycket”.



# List of content

<b>1</b>	<b>INTRODUCTION .....</b>	<b>9</b>
1.1	The city of Göteborg.....	11
1.2	The Tourism and Hospitality Industry in Göteborg .....	13
1.3	Business Tourism in Göteborg (Situational Analysis).....	15
1.4	The People’s Republic of China .....	18
1.5	The Chinese business tourist .....	19
1.6	The Chinese business group as target market and Göteborg, the business destination.....	23
1.7	The Problem Statement .....	25
1.8	Objectives.....	26
<b>2</b>	<b>LITERATURE REVIEWS.....</b>	<b>27</b>
2.1	Introduction .....	27
2.2	Business travel and tourism.....	27
2.3	Consumer behaviour of the business traveler.....	34
2.4	Urban tourism .....	36
2.5	Place and Destination Marketing.....	39
2.6	Stakeholder management .....	42
2.7	Relationship marketing.....	47
2.8	Customer satisfaction / Service quality .....	49
<b>3</b>	<b>METHODOLOGY .....</b>	<b>53</b>
3.1	Data collection process.....	53
3.2	Limitations .....	64
<b>4</b>	<b>FINDINGS (EMPIRICAL DATA).....</b>	<b>65</b>
4.1	Companies’ approach on the categorization of business travelers.....	66
4.2	Packages offered by companies to their guests .....	67

4.3	The process of travel of business travelers to the destination .....	68
4.4	The Hospitality Service Providers (Hotels).....	75
4.5	The collaboration between different stakeholders in the business industry .....	80
<b>5</b>	<b>ANALYSIS .....</b>	<b>83</b>
5.1	Introduction.....	83
5.2	Categorization of business travellers.....	84
5.3	Hotel services to business travellers .....	91
5.4	Generating business travel and tourism .....	94
5.5	Customer Satisfaction - The Business Traveller .....	97
5.6	The significance of Chinese business travel market to the tourism and hospitality industry. ....	101
<b>6</b>	<b>RECOMMENDATIONS AND CONCLUSIONS.....</b>	<b>107</b>
6.1	For Further Research:.....	112
<b>7</b>	<b>REFERENCES.....</b>	<b>113</b>
<b>8</b>	<b>APPENDIXES .....</b>	<b>117</b>
	Appendix A: Reports from interviews with some major companies in Göteborg .....	117
	Appendix B: Reports from interviews with some of the hotels in Göteborg.....	129
	Appendix C: Questionnaire for the companies.....	135
	Appendix D: Questionnaire for the hotels .....	137
	Appendix E: Survey of Chinese delegations .....	139
	Appendix F: Visits of Chinese delegations to SOIC 2000-2003 .....	141

# 1 INTRODUCTION

Business travel is considered to be the backbone or “bread and butter” of the tourism industry because business people are often required to travel as part of their day-to-day activities (Roy A. Cook et. al, 2002). The sector also has a strong influence on the whole tourism industry due to its high expenditure value. Research has shown that Business tourism has grown and continues to experience growth as a segment of the tourism industry. As stated by Wootton and Stevens (1995), “business tourism has grown strongly since the 1980’s and though it has been hit by the downturn in national and international economic activity in the first half of the 1990’s, it continues to grow faster than tourism as a whole”. It is a substantial and buoyant sector of “all” tourism, and also a more sustainable form of tourism than holiday tourism.

As cited by Wootton et al, (1995) the worldwide business travel market (international and national) is considered to be enormous, accounting for 750 million trips with an estimated value in excess off US dollars 320,000 million.<sup>1</sup> In Sweden, according to figures shown by IBIS 2001, Incoming visitors – arrival to Sweden by the purpose of the trip, business trips cover 36 % of the total number of visitors. The percentage of Business trips comes second to Leisure trip, 42%.

---

<sup>1</sup> United Tourism Survey, 1992

However business travel brings the biggest income to the tourism industry. In 2001 the overnight visitor average daily expense per person on a business trip reached 1,041 SEK, while leisure tourism contributed 437 SEK. As indicated above this sector of the tourism industry contributes a great deal to the total income of the various service providers in the industry, especially for hotels and the air transport business. This phenomenon has caused governments and other private organisations to give this sector much attention, as it contributes significantly to the economic development of most countries. In this respect, major cities and capital cities of most countries are therefore planned, designed and organised in a way to meet the demands of this sector, hence attracting certain markets into the region, and for that matter quality tourists also. According to Lowitt (2001), the activities of business tourism represent the customer segment with the highest value.

This chapter presents an introduction to Göteborg as the destination for businessmen, with special emphasis on the Chinese Business Group. It seeks to assess the situation in Göteborg as a tourist destination with a focus on businessmen and tries to answer the question, “why the Chinese as a target market?” The structure of this chapter is, therefore, organised as follows (divided into four main parts).

The next section, which is the first part, gives an overview of the city of Göteborg and its tourism and hospitality industry. It continues to analyse the situation of business tourism, and thus the possibility of establishing the city as a business travel destination. The target market, for the purpose of this paper, will be discussed in this section and insight will be provided for the choice of this market, the Chinese Business Group. The second part ascertains and examines the problem statement, and the need for this paper to be written. The objectives and purpose of the paper are discussed further in the third part and the last section provides a summary and conclusion to this chapter.

## **1.1 The city of Göteborg**

### **1.1.1 Brief history**

Göteborg is Sweden's second largest city with approximately 471,000 inhabitants living within the city and 852,000 inhabitants living in the Göteborg region. The city of Göteborg began being built in 1619, with the initiative of Gustav II Adolf, and was granted a town charter in 1621. Immigrants, primarily Dutchmen, were attracted to the new town with offers of religious freedom and exemption of duties and taxes. They, in return, modelled the city with many man-made canals, streets,

fortresses, moats and a town wall with three town gates becoming one of the best-defended fortresses in Northern Europe at the end of the century.

During the 19<sup>th</sup> century, the city expanded dramatically and in turn, some of the fortresses had to be demolished, some of the canals were filled in, the harbours and quays were extended, and the city's port grew to be by far the largest in the Nordic region.

### **1.1.2 Göteborg today (Where everything is just around the corner)**

Göteborg has everything a modern city could be able to offer, combined with a relaxed and welcoming atmosphere. It has also become very popular for several reasons: Liseberg - the amusement park, Göteborg Opera House, Göteborg Symphony Orchestra (Sweden's National Orchestra) at the Concert Hall, the Art Museum, beautiful parks like Trädgårdsföreningen - right in the city centre, or Botanical Gardens and Slottsskogen, everything just a tram ride away.

Göteborg has great variety of cuisines to choose from. One can choose from a number of fine restaurant or charming little eateries. Food from around the globe, traditional Swedish home cooking and perhaps the best range of fish and seafood

in the world are all to be found in Göteborg. Likewise, several of the most famous Swedish chefs are to be found in this region.

Göteborg has always been a trading and industrial city. Big companies such as Volvo, SKF and Hasselblad have their main factories and headquarters in this region. The city is also known as a “city of knowledge”, with Göteborg University and Chalmers University of Technology spearheading the advancement in different field of research of the educational system. These higher learning institutions have strongly contributed to the achievements of the Swedish science on the fields of IT, biotechnology, and medicine. Famous names in these fields, like Gert Wingårdh, Arvid Carlsson, come from Göteborg. Events and entertainment has been one area, which has developed the image of the city, hence attracting special entertainment activities into the region.

## **1.2 The Tourism and Hospitality Industry in Göteborg**

Göteborg is not only a historical but is also an international city. The city’s international climate has existed since its founding. To this date, the city owes much to the influence of people from abroad.

There are tonnes of service providers in the hospitality industry of the city. Hotels can be found of different quality and at different price levels. Even in the city

centre you can find the differentiation among accommodation facilities. The easy access to these hotels is one advantage of transportation in the city. Most of the hotels can be reached on foot.

Göteborg can be easily accessed by air, water and land. There are two airports outside the city: the main international airport Landvetter, located only 20mins from the city centre, and the smaller one, Säve. There are two Stena Line ferry terminals with connections to Germany and Denmark. Traveling to Göteborg by rail is both quick and pleasant. There is a network of international and national connections available from the railway station (Centralstation) in the city. Commuting in the city is also convenient due to the availability of trams and buses.

The city of Göteborg is surrounded by many natural and historic places. A very popular destination outside the city is, for example, Marstrand, an island with an old, mighty castle. Another destination could be two archipelagos that can be reached by local ferries. The islands are of unspoiled nature. There are also many lakes and forests located around the urban area. The region of Dalsland is located not so far from Göteborg, with small summer places with many tourist attractions.

To make the tourists' stay easier, a chain of tourist information offices have been created in Göteborg. The employees at information points provide multilingual information about the city and its attractions and try to solve tourists' problems.

There are many tourism organizations in Göteborg. Some of them are: Västsvenska Turistrådet (West Swedish Tourist Board) and Göteborg & Co., which is focused on developing tourism in the city and also creates a cooperation network with most of the tourism oriented companies and organizations in the city.

### **1.3 Business Tourism in Göteborg (Situational Analysis)**

Göteborg is a leading meetings and events city in Europe with a strong joint commitment between the business community and the city council to support major events and meetings, offering professionalism and excellent organisational skills. Fifty percent of Scandinavia's industrial capacity is located within 300-mile radius of the Göteborg region, which is strategically positioned, making it possible to be "Sweden's gateway to the West".

The opportunities that Göteborg brings to the field of business tourism are varied. These mainly come in the form of: competent organizations in charge of

developing business tourism in the city; the world class facilities available; the wide business environment in the city.

Concerning the organizations, which develop and market Göteborg as a meeting destination, Göteborg Convention Bureau is the central body for attracting congresses, conferences and corporate meetings to the city. The Bureau serves as a link between meeting organizers and the local meetings related businesses. Another major contributor to the promotion of business tourism in Göteborg is the Göteborg Convention Centre, a subsidiary of Svenska Mässan. Svenska Mässan also known as a Swedish Exhibition Centre is an independent foundation whose purpose is to promote the interest of trade and industry. Göteborg Convention Centre focuses on three main areas of business tourism: organizing conferences, congresses, meeting events and parties. There is a strong cooperation between the two organizations (Göteborg Convention Bureau and Göteborg Convention Centre) with the aim of attracting major world conventions and s to the city.

There are world class facilities available in the city to encourage business meetings and other events, all located in the city centre. These are mainly set around Swedish Exhibition & Congress Centre – Svenska Mässan - the leading venue for fairs and conferences. These excellent facilities have attracted all kinds

of meetings, right in the heart of the city centre, hence it is known as one of Scandinavia's leading event and congress destinations.

The presence of all the above organizations and facilities contributing to business travel and tourism did not be coherent if the city would not have adequate business settings. Due to the number of multinational corporations and factories placed in the city, Göteborg is a place with a vibrant business environment. The industry sectors cover a wide range of fields: from IT, telecommunications to automobile, biomedical technology. Just to make a small illustration of the size and importance of these companies, one could mention the world-wide recognised trademarks like Volvo, SKF, Hasselblad, Astrazeneca, Ericsson, Manpower, Ernst & Young. To enhance the growth of business in the region, Business Region Göteborg, an organization under the auspices of the city of Göteborg was launched. It serves as a network between the industry in Göteborg and other industries worldwide. Another organisation with a similar vision is the West Sweden Chamber of Commerce and Industry, whose main objective is to promote a better business climate in Western Sweden.

Concluding from all the above, the city of Göteborg has a strong potential to become a dynamic travel business destination for businessmen from around the world, including China.

## **1.4 The People's Republic of China**

The People's Republic of China is situated in the eastern part of Asia with the Pacific Ocean to her east. It is the largest country in Asia with an area of 9.6 million square kilometres. The administration system comprised 23 provinces (including Taiwan Province), 5 autonomous regions, 4 municipalities directly under the central government and 2 special administrative regions (Hong Kong and Macao). In total, there are 34 administrative units at the provincial level. The new policy of "opening up" was implemented along with their economic development.

Since the 1970's, as a result of the implementation of the policy of reform and opening up, the economy has rapidly developed and the urbanization rate has increased. In 1978, the urbanization rate was 17.9%, but in 1999 it has gone up to 30%. In the past 20 years, there have been many changes in the country's economy which have resulted in the transformation of Chinese society. The total population of China, according to the 5<sup>th</sup> national census in 2000, was 1,295

million. Traditionally China had an agricultural society. Since 1978, the number of agricultural workers has been systematically decreasing. At that time, the agricultural workers accounted for 67.4% of the total employment, whereas by 1999 the number dropped to 44%. The upgrading of enterprises and new technology has turned many factory workers into people acquainted with modern technology who have moved upwards in society. The middle class is appearing and is beginning to take shape. The number of private entrepreneurs, managers, small industrial and commercial enterprise owners and people in the service trade are quickly increasing. Apart from the government and social management, managers have formed a relatively independent social stratum, which have control of, or directly operate, the economic resources ([www.world-tourism.org](http://www.world-tourism.org)).

## **1.5 The Chinese business tourist**

China has for a long time been a closed country in terms of tourism. Outbound travel was restricted to cross-border travel, business and official travel as well as visiting overseas friends and relatives. Chinese inbound tourism started to develop in the late 1970's as a part of so-called "open door policy" by Deng Xiaoping. In 1983 private travel was opened and the first international tours were allowed (relative visiting tours). The first destination accepted by the Chinese authorities was Hong Kong. The list of countries that the Chinese people were allowed to

visit was extended in 1990, and Macau, Malaysia, Thailand, Philippines were added. All these destinations were set around China and in the Asian continent. Trips to Europe, United States and other western destinations were still restricted. In 1997 all relative visiting trips were gradually modified into leisure trips and the citizens were for the first time allowed to travel at their own expense. Despite all the restrictions on outbound travel throughout these years, Chinese business groups and officials were given the chance to travel.

### **1.5.1 The outbound travel pattern**

Since the Chinese government has relaxed its regulations about outbound travel, Chinese citizens are looking for new remote destinations to visit for different purposes. Also the country's newly found wealth has contributed to the surging number of Chinese outbound travelers.

In 1997, the total number of Chinese outbound travelers reached 5.3 million and out of this figure, 2.9 million travelled for public affairs. Another 2.4 million were travelling for private purposes. Drawing a picture of the whole outbound travel, one can see that the largest share (82%) of all tourists travelling abroad went to East Asia Pacific destinations. Europe attracted approximately 12%, the Americas 5.5 % and other parts of the world close to 0.5 %. Over the years the numbers of outbound travellers from China, especially to Europe and United States have been

systematically growing. In the last five years the number of Chinese who travel abroad has doubled. In 2002 there were 645,000 Chinese visitors to Europe so the potential for more growth is enormous.

The numbers may grow drastically especially now when Brussels and Beijing signed a long – awaited agreement that will make group tours easier to operate. According to the Financial Times, European Commission officials have stated that under that agreement, Chinese visitors will be given “approved destination status” to European Union states that are part of the Schengen cross-border travel agreement.

### **1.5.2 Travel behavior**

The outstanding features of a Chinese traveler are: most of the travelers join tour groups and they go to several countries on one trip. An average Chinese traveler is interested in wide range of activities during the trip. A general pattern is that even though the trip might be strictly business-like, the traveler will always tend to include social aspects into it, such as city sightseeing, guided tours. Travel is concentrated during the three official Chinese holiday periods – the spring festival, (Chinese New Year) in January or February, The May Holiday, and The National Day Holiday. The duration of a typical Chinese trip will be rather short and all the

details will be precisely planned ahead. Chinese tourists travel according to four main purposes, which are: leisure travel, relative – visiting travel, business travel and official travel (Silvia Roth, 1998). For a Chinese tourist high quality tourism products will include multiple packages of services which will be comprised of visiting different places (cities, companies, attractions).

The bureaucratic requirements for a Chinese person to travel, according to the above purposes, are quite numerous and complex: permission to travel, travel document, visa for the travel destination. Business travellers from China, who are employed in governmental or stateowned companies, can only travel after receiving permission from their work unit (dan – wai). When going abroad, these employees also require an invitation from the company in the host country. This invitation is essential in acquiring a visa.

The general pattern for Chinese travellers in organizing their trip abroad is to ask the assistance of travel agencies. In 1997 there were 4986 travel agencies in China, 991 out of those were international travel agencies and the rest 3995 domestic travel agencies. With respect to outbound travel, there are 67 international travel agencies, which are licensed by the CNTA (China National Tourism

Administration). These listed agencies are responsible for handling the all of Chinese outbound travel.

## **1.6 The Chinese business group as target market and Göteborg, the business destination**

Göteborg has a long history of sea trade with China. The roots of this history are set around the East India Company, formed in the 1731. The company was trading tea, silk, china, spices and furniture etc, by ship (The East Indiaman Götheborg) from China to Sweden. The company was at one time one of Sweden's biggest employers and made 132 expeditions to East India, mostly to Canton in China, with 32 different ships. This trade bond between the two cities led to the establishing of a strong business relationship between the two countries at the time. However, the relationship weakened after a ship sunk on the way home from one of the trade voyages from China. The twentieth century brought a new shape to Swedish – Chinese affairs. In 1995, an idea of building replica of the East Indiaman Götheborg arose, consequently the company - Svenska Ostindiska Companiet was launched again ([www.soic.se](http://www.soic.se)).

The new ship being built in Göteborg has aroused great interest among businessmen in both countries, hence strengthening the relationship that once

existed. Due to the fact that China has changed its policy regarding outbound travel and trade, many opportunities have been created to enhance trade between the two countries. Since China is becoming more and more flexible in its global policies, various sectors of its economy are being exposed to new principles of economies worldwide.

The sister city agreement between Göteborg (Sweden) and Shanghai (China) has created more open doors to both countries in terms of business. The idea of establishing the relationship was developed in 1986 with the main objectives to explore the business prospects of both regions. One could project that along with the sister city agreement, in the coming years, Chinese outbound travel to Göteborg, may experience a high growth.

For the reasons stated above, we conclude that the Chinese business travel market will be just the appropriate target market for the tourism industry in Göteborg, all will fill the gaps or weak periods of the year in tourist travel frequency into the city. Awareness therefore needs to be created about the importance of the Chinese business travel group to the Tourism and Hospitality Industry in Göteborg. But one may then ask how can this awareness be created with regards to business opportunities in Göteborg, to the Chinese business market and vice versa. Thus,

how the Chinese business segment could be brought to the attention of service providers in Göteborg? The problem statement will discuss the relevant issues related to business travellers and Göteborg as a business destination.

## **1.7 The Problem Statement**

1. How is business tourism demand created in a particular destination/ creating business travel and tourism demands targeting a specific market (How do we get the business travellers to come to a particular destination?) Thus, how do we encourage demand for business tourism in Göteborg, targeting the Chinese business travel group?
2. How well tailored are the services provided by the destination to the foreign business travellers' needs? How do the service providers look upon the needs of the target market? Are they general or specific to categorising business travellers by their reasons for their visit to the destination?
3. How well are business travellers' needs satisfied (Encouraging longer stay and repeat visit).

## **1.8 Objectives**

- 1.** To explain the systems of categorizing business travellers.
- 2.** To describe how the Göteborg business community tries to attract business travelers to Göteborg?
- 3.** To describe what measures the hospitality industry takes to create products to suit the needs of the business travel group.
- 4.** To analyze the satisfaction of Chinese business tourists to Göteborg as business destination.
- 5.** To identify holes in services provided by the tourism and hospitality industry in meeting the needs of business travellers – pointing out new opportunities and discussing how to fill in the existing gaps in the industry system.
- 6.** To create awareness of the importance of the potential Chinese business traveller to the tourism and hospitality industry in Göteborg.

## **2 LITERATURE REVIEWS**

### **2.1 Introduction**

This chapter examines some subjects relating to choosing Göteborg as a destination for business travel and tourism. In order to establish a theoretical framework for this study, certain areas of literature are considered, which are further discussed from the different perspectives. These include an overview of the business travel and tourism sector, urban tourism, consumer behaviour, destination marketing, and stakeholder management, leading to the discussion of certain aspects of relationship marketing, which also presents the structure of this chapter. In each section, a brief introduction is provided in order to understand the relevance of the subject being discussed to the topic of this paper, Göteborg, a destination for Business Travel and Tourism.

### **2.2 Business travel and tourism**

As cited by Wootton and Stevens (1995), business tourism usually warrants a brief mention in today's travel and tourism textbooks.<sup>2</sup> For this course it is imperative to discuss the views of different authors on this subject so as to establish and understand the framework for the purpose of our discussion. To begin, the

---

<sup>2</sup> Horwath Consulting *Horwath Book of Tourism* Macmillan, UK (1990)

definition of business tourism is deemed necessary in order to set the underlying meaning and to provide a foundation to market Göteborg as the destination for Business travel and tourism.

According to the wording of resolutions put by the World Tourism Organisation to the United Nation in 1992, cited by Wootton et al (1995) business tourism denotes the activities of persons travelling to and staying in places outside their normal environment for the purposes of business. For further explanation, it includes activities, same-day travel and staying overnight, for which the principal reason is business, but it excludes all forms of commuting to work and the regular working journeys of businessmen in their local areas. Cleverdon and O'Brien (1988, p.1) defined business travel as a "convenient term which describes all non-discretionary trips made either in the course of, or for a work related purpose"? This definition is similar to that provided by the Encyclopaedia of Tourism (2000). Hampton (1989, p 27) indicates that the British Tourist Authority have included business travel in their definition of a tourist trip, by defining it as "a stay of one or more nights away from home for holiday visits to friends, relations, businesses, conference, or any other purpose except such thing as boarding education, or semi-permanent employment.' The Encyclopaedia of Tourism, (2000) defined business travel, as a tourism market segment, a term used to

describe all non-discretionary trips, which occur either explicitly for the purpose of engaging in work, or incidentally in the course of conducting work-related activities. It went on to state that it includes travel associated with everyday business operations as well as travel for corporate or organisation-based meetings, conventions and congresses. Incentive travel, in which firms use trips to reward top performing employees, is also generally included under this heading. Not everybody agrees that business travel should be included as part of the tourism industry as the trip is not for pleasure, according to Callan et al, 2001. However, Hampton (1989, p 27) gave a counter argument that from financial perspective, that business travel should be included as it forms significant proportion of the total market.

The encyclopaedia definition brings out the components of the business tourism market, which are discussed in the subsequent paragraphs.

The above definitions help to identify and clearly describe the target market for the purpose of this paper, and helps to come up with the characteristics and behavioural pattern of the target group, for that matter, the Chinese business travel group and their significance to the travel and tourism industry.

### **2.2.1 Characteristics of business tourism/tourist**

Business trips are different from pleasure holidays in several other respects. In respect to the choice of destinations, cities and urban areas are preferred to resorts and rural areas. As a result, well developed industrial areas or service economies tend to draw the maximum number of business travellers.

Such trips tend to be considerably less seasonal and more concentrated in mid-week with *transportation* occurring during mornings and evenings to maximise time at the destination during business hours. Because of their professional status, business travellers are generally well educated and well-off. They are, therefore, a highly desirable target market for most service providers in the tourism industry, including the pleasure sector, which encourages them to take vacation time at the destination several days before or after the meeting or conference, by providing them with adequate leisure package. Persons travelling on business may choose to bring their spouse, or may return to the meeting site for pleasure at a later date. (Encyclopaedia of Tourism, 2000).

### **2.2.2 The significance of business tourism**

Business tourists spend more than holiday tourists do and spending has increased at a faster rate than for tourism as a whole. Business people are often required to

travel as part of their day-to-day activities. Since travel is a part of their jobs, the amount of money they spend on tourism services tend to stay fairly constant, and they are not price-sensitive as vacation and leisure travellers. It is also less seasonal. (Cook et. al, 2002).

Business visitors are also a major source of demand for hotel accommodation, (Slattery et al, 1991) with hotels relying on business travellers to fill beds during the week. (Cited by Wootton et al, 1995) This also applies to other service providers in the travel and tourism industry, like the airline companies.

Business and meetings tourism is a substantial and buoyant sector of “all” tourism; it is also a more sustainable form of tourism than holiday tourism. Meeting and conference tourism, for instance, is less likely to compound the adverse effects of tourism, and also goes some way to making up for the decline in the more traditional holiday market and is a major source of support for the hotel sector.

The traditional seaside holiday together with other forms of leisure tourism experience shifts in its demand and growing pressure to protect the environment, whereas business and meeting tourism is not so strongly exposed to the pressure of these issues.

### **2.2.3 Components of business tourism**

General business travel stands as the main component of business tourism and it accounts for 85% of business tourism on a global level. The second component, the incentive travel, however difficult to define in numbers, due to its 'below the line' nature, is considered to be an expanding market (Cuff M, 1986; Woodward, 1991). Nevertheless, as cited by Roy et al, 2002, incentive travel is one of the fastest growing segments of the tourism industry, which generates over 11 million trips annually worldwide. (Sheldon, et al, 1995). Incentive travel is motivational programmes designed to create competition, with the winner(s) receiving travel awards. (Cook et al, 2002) The third component, meetings and conference travel, also referred to as professional travellers, (Cook et al, 2002) accounts for around 12% of the total business tourism market. (Beioley, 1991) This market has grown as transportation, especially by air, has become more available and affordable.

According to Beioley, (1991) conference and tourism meetings have been growing faster than business tourism as a whole. And their growth and significance is tied to the quaternary sector in advanced economies which corresponds to the transaction of information performed by those in manufacturing, commerce, professional administrative and higher level occupation. The key market segments, which travel for the purpose of business, include participants in

associations, businesses, exhibitions and trade shows, religious organisations, political parties, and governments. Conference and meetings are currently used to promote destinations since most towns, resorts and cities feature hotels and other facilities that can be used as venues.

Since business travellers are so important to the profitability and potential success of most tourism suppliers, it is important for us to know more about these individuals. Business travellers tend to be the “heavy users” of many tourism services, especially air transportation, hotels, and rental cars. These service providers in most occasions respond to these needs by developing services and forms of promotion that appeal especially to these busy frequent travellers. Appealing especially to this group, frequent-user programs are developed expressly to encourage and reward loyalty and repeat patronage. Thus, service providers offer them leisure based packages during their regular business visits.

Throughout this paper, with respect to the theoretical background of the business travellers group, the purpose will be to research the possible opportunities brought by their characteristics to the business travel industry in our area of interest. Certain pieces of information may be outlined from these theoretical characteristics, which may supply the service providers with useful information on

the requirements of business travellers, thereby producing adequate types of services to meet those needs.

### **2.3 Consumer behaviour of the business traveler**

In order to understand the foundation of this paper, as mentioned in the previous sub-heading, it is essential to define what is meant by ‘business travellers’ and ‘business travel’. Beioly (1991, p.87) also cited by Callan et al, 2001, define the business traveller as an ‘overseas or domestic visitor who stays overnight away from home for the purpose of conducting business’.

In recent years, the business traveller has come to represent an important segment within the hotel industry, one of the tourism service suppliers. Business travellers comprise a more specific target group than the holiday maker (Sondavan and Schalekamp, 1998, p.146), however on the average, the individual business traveller contributes more to the hotel industry and some other service providers in the travel and tourism industry, spending approximately twice as much as the tourist. (Hampton, 1989)

As long as business travellers receive the desired facilities and services at the required level of quality, the source of income they represent will be a reliable one, as it is less susceptible to seasonal fluctuations (Cleverdon, 1985). Cleverdon

(1985) continues to point out that it is widely accepted that business travel arrangements are generally more complex, and corporate customers demand a higher quality of service, with the result that staff, administration and marketing costs when catering for the business traveller, are higher.

Research has been done extensively on the issue of service quality, with focus on hotel services (accommodation), which form just one aspect of the service provided in the tourism industry. *What about the other service providers as far as the business traveller are concerned?* Some authors argued that as the business travellers spend more and more time away on business, they look to the hotels to ‘offer a safe haven at the end of a long day on the road.’ “They should truly be the business travellers’ home away from home and in any case the office away from the office”. (Weaver and McCleary, 1991, p. 29) In a magazine report, Raymond Pajares (the general Manager of London’s Inn on the Park) commented that, “the business traveller wants a hassle-free environment; they want to be sure that the hotel will provide exactly what they need.” (Also cited by Harding, 1993) *What are these needs and how do these service providers view these needs since one business travellers differ from the other...(different culture and expectations).* Therefore hotels, and other service providers in this industry, must attempt to cater for all the needs of the business traveller. In order to accomplish this, Callan et al,

(2001) points out that the hotel operator, for instance, must determine the perceived relative importance of various attributes that constitutes the residential hotel experience. An appreciation for the difference between international travellers they asserted will enable management to more finely tune their service offerings.

## **2.4 Urban tourism**

Urban tourism was not given much recognition in the area of tourism research until the 1980's, when many cities started to develop. Since strong emphasis was placed on leisure tourism, and other kinds of recreation, urban tourism lacked scientific study. (Jansen-Verbeke, 2000; Law, 1992) However in the 1990's, an increase in this area of research occurred, as many non-traditional destinations, particularly industrial cities, grew into the business of urban tourism. As cited by Rogerson, 2002, Ashworth (1989) acknowledges that “double neglect has occurred- not only have tourism studies neglected the urban context, but urban studies have also failed to acknowledged the importance of tourism activities to city life.”

In contrast to other destinations where different products and activities could be well described, urban tourism stands as a multifunctional system with a

multipurpose character. Therefore, it is more difficult to understand urban tourism and the product lifecycle of urban destination. The difficulties pointed out above were also confirmed by U. Blank (1994), who explains that in most cases urban tourism is narrowed, down to only convention travel. The actual representation of urban tourism includes: visitors to friends and relatives, non-convention business travelers, and those traveling on personal business.

In modern planning for urban economic development, promotion of tourism has become an imperative component. According to Jansen-Verbeke (2000), recent publications disclose other aspects of urban tourism such as: trends in demand, creating attractions and clusters, urban planning policy issues, impact studies, product - place marketing, and resource and visitor management. She further pointed out that, the complexity of the concepts is due to the spatially concentrated spectrum of city opportunities in which two elements could be identified: the core and secondary elements. Blank (1994) also agrees with the fact that the diverse and heterogeneous nature of urban tourism makes it difficult to measure extensively and accurately.

The attractiveness of urban destinations, according to Karski lies in "... the rich variety of things to see and do in a reasonably compact, interesting, and attractive

environment, rather than in any one component. It is usually the totality and the quality of the overall tourism and town centre product that is important” (cited by Pearce, 2001). Urban tourism products consist of a mix of unique and interesting attractions, which are the pull factors for tourists. Along with these attractions, there is also a variety of facilities available in the urban areas, that support the tourism experience, although they are not the first motive for the visit (Jansen-Verbeke, 2000).

Numerous prospects for economic development emerge from urban tourism. As a result, many cities are looking at the possibilities of developing tourism as a force to diversify and stimulate for the urban economy (Jansen-Verbeke, 2000), thus becoming a key instrument in many urban revitalization projects today. Law (1996) also explains that in the context of global restructuring and deindustrialization, tourism offered opportunities for renewal of many urban economies that were in decline (Cited by Rogerson, 2002). Jansen-Verbeke concludes that “understanding the synergy between tourism activities and other urban functions is necessary in order to develop and sustain urban destinations of high quality both for these temporary and permanent populations.”

The above issues in urban tourism serve as a framework to identify and assess the urban tourism situation in Göteborg, as a globally competitive tourist destination, and also to examine the key tourism policy actors in the city, to discuss how these policies affect the development and sustainability of urban tourism in Göteborg.

## **2.5 Place and Destination Marketing**

As the topic of this paper denotes (Göteborg, a destination for business travellers) it is imperative to indicate the various definitions of the term “destination”, in order to identify a definition, which will be more appropriate in the context of this paper. The encyclopaedia of tourism (2000) defines a destination “as distinct from origin or market, referring to the place where tourists intend to spend their time away from home”. As it explains further, the geographical unit visited by a tourist may be a self-contained centre, a village or a town or a city, a region or an island or a country. In addition, a destination may be a single location, a set of multi-destinations as part of a tour, or even a moving destination such as a cruise.

Bae-Haeng Cho (Australia, 2000) pointed out that the term ‘destination’ and ‘product’ is often confused. The former is often considered to be a tourism product in itself, but some scholars argue that the destination is simply a geographical unit within which any number of differing products can be purchased and experienced.

The product, on the other hand, can be seen as the total tourism experience which comprises a combination of all service elements which the tourist consumes from the time they leave home to the time they return. Thus, the total product is much larger than the destination itself, and usually embodies several tourism products. A destination may be viewed as part of the products of the tourism industry.

“Place marketing is a key theme of urban governance in late capitalism”. (Wu, 2000) Destination marketing can be traced back to the 1920’s. However, worldwide development of this subject has been recognised since the 1960’s, as a consequence of a rapid expansion of international and national tourism (Middleton, 2000)

Researchers have come up with different approaches to addressing issues on place/destination marketing. As mentioned by Middleton, destination marketing is traditionally concerned with the overall promotion of appealing images to attract tourists. (cited by Bradley et al, 2002; Bramwell, 1998). However, in the current trend of events, destination marketing is more and more concerned with the segmentation and with managing the balance between tourism and environment. (Encyclopaedia of tourism, 2000; Bramwell, 1998; Bradley et al, 2002) Bramwell, (1998) pointed out that place marketing views places as a collection of products.

The planning and marketing of these products is conducted according to related goals, along with meeting the needs and expectations of the defined target users. This he argued, supporting on the suggestion made by Ashworth and Voogd, that there can be a misunderstanding about the traditional view of place marketing and the contemporary definition of place marketing.

According to Bradley et al, (2002), there is a growing body of literature on the issues of place promotion, (an aspect of destination marketing) suggesting two approaches to this field of research. Thus, there is a body of literature that associates urban marketing to a profound political economy, (Logan et al, 1987; Harvey, 1989, Kearns et al, 1993) and also studies that focus on the detailed processes and strategies of urban marketing. (Ashworth and Voogd, 1990; Kotler et al, 1993). They, however, point out that, despite the great attention given to this subject by scholars, there is paucity of research work in the consumption or impact of place promotion strategies, which they attempted get to the bottom of in their research work. As cited by Wu, (2000) in a sense, place promotion presents and represents a new image to enhance the competitiveness of place. In particular, the aim of image recreation is to overcome the negative image of the industrial past and to attract investments. (Lever, 1997; 2000; Short and Kim, 1999; cited by

Wu). Hence there is the need to consider the target market's perception of the place.

Destination marketing comprises market research for reaching the objectives aimed by a destination, and strategies for targeting, segmentation and monitoring goals. (Middleton, 2000; Ashworth and Voogd, 1990; cited by Bramwell, 1998)

According to Middleton (1994), because the positive and negative impacts of tourism differ according to the various tourist types targeted, destination marketing becomes more partnership and product-based, recognising that the overall tourism product is an combination or composite product comprising several elements not controlled by a national tourism origination. The initiative to market a destination is a responsibility of governmental agencies and organizations as place promotion is placed within the tangible parts of the urban development process. National tourism organizations are expected to support the marketing of all parties implicated in the provision of tourism product.

## **2.6 Stakeholder management**

Stakeholders are defined as persons or groups of people that have or assert the rights or interests to the project and its operations. (Cleland, 1999)

In different sources the definitions of stakeholders vary. Some of the researchers like Cleland (1999) and Karlsen (2002) state, for example, that customers are not stakeholders, when others like Flagestad (2001), Recklies and Johnson & Scholes (in Recklies 2001) consider customers to be stakeholders. Those definitions may differ in terms of needs of certain organizations and types of certain projects. Basically stakeholder definitions always include the following actors: owners, managers, employees, suppliers, local authorities, local organizations interested in the project, public opinion, media, and competitors.

In Cleland et al (1999), a division among stakeholders has been made. There are two kinds of stakeholders enumerated: Primary Stakeholders, that are closely connected to the project and take part in its process, who also have a responsibility to do the work; and Secondary Stakeholders, who are not directly involved in the project, but might have a strong interest in it and even try to influence it. According to Karlsen (2002), it is very important to build relationships between project and stakeholders and also between the two kinds of stakeholders. The first ones create the project and control resources, while the other group decides if the project is a success.

Recklies, 2001, divided stakeholders in another way as: internal stakeholders and external stakeholders. Internal stakeholders have the most influential power and are directly involved in the project. Some of them include owners and managers. External stakeholders could be strategic or corporate partners or could also create a network with internal stakeholders and make stakeholders depend on them.

Stakeholder management has its roots in PR-Public Relations and today its importance is increasing, both for the organization and its environment. “Stakeholder management is a management philosophy which deals with the problems of the consistency between a firm and its environment through the various stakeholder relationships” (Ylärinta, 1999). It is one way of finding long lasting endurance for the organization. Stakeholder management is essential in terms of building relations between stakeholders. It helps the organizations to define what relations between what stakeholders are crucial and what are unnecessary. Both Cleland (1999) and Recklies (2001) stated that stakeholder management is not only useful in establishing bonds and cooperation net between appropriate stakeholders, but it also helps to put stakeholders in proper positions and reposition them, and to identify henchmen and adversaries of the project. Several researchers established and developed the stakeholder management process and its models. Karlsen (2002) in his article discussed such a model and

stated that there are several reasons for performing this process when creating a project. Those are: “to become acquainted with the project’s stakeholders, to ensure the balance between contribution and reward, to make a basis for managing the stakeholders and for deciding who should be involved in determining the project goals and how success should be measured”.

Many authors offer different solutions and different phases in the stakeholder management process. Each one of them is probably appropriate for different organizations and various projects. The aim of stakeholder management is to create a net of cooperation among all the stakeholders within an organization or a project in terms of reaching one goal – the project’s success.

According to the scope of the paper, the importance of stakeholders in a destination is discussed below.

### **2.6.1 The Importance of stakeholders in a destination**

Morgan, Pritchard and Pigott (2003) in their article discussed the importance of stakeholders in a destination when it comes to visioning and what role publicity plays there. The task of stakeholders is to decide what the absolute “vision” of a destination should be, what picture of a place they want to later build in people’s minds. Also in the destination, branding the role of the stakeholders is crucial. In

this process, when a lot of internal problems are met and difficulties of branding tourist industry occur, the dedication and cooperation of stakeholders is the factor that completes a branding campaign. When it comes to destination and tourism, a very important role is played by such stakeholders as sponsors, the local government, local organizations and companies. Those stakeholders are significant for the destination branding. Local government has a lot of influence on tourism projects; they manage the city and can be as helpful as distractive. Local organizations, especially those tourist or region oriented are essential in this case. They should aim at building cooperation and work for the “vision” of the destination together, rather than separately. This collaboration is very important in creating a picture of a coherent city or region. In destinations, when the local government has its budget, very often there are not enough resources for the marketing; sponsors then are the factors that make the destination branding possible.

Flagestad (2001) claimed, “Similarities between organizational form of the destination and a company or a firm should allow for the application of the theories related to the firm in a destination context” (Flagestad and Hope 2000). It means that like in every other organizational project, all the factors have to be considered regarding destination, such as economical, cultural, environmental, and social, and that stakeholders can be as influential as in an ordinary organization. Also

Flagestad (2001) emphasized the importance of customers as stakeholders in a destination. Customers can have as big influence on the profitability as stakeholders within the organization, but the final effect on profitability is the computation of all stakeholders' actions.

To finish the discussion it should be repeated after Flagestad (2001) that the stakeholder management and the building of relationships with stakeholders is more important than any agreements and transactions, when it comes to the long life of an organization's operation.

## **2.7 Relationship marketing**

“Relationship marketing (RM) is defined as marketing seen as relationships, networks and interactions (Gummesson, 1997, 1998). Grönroos (1997b, p.4) emphasised that “RM is a process including interactions that form relationships, which may develop into networks of suppliers, distributors and consumers” (Larson, 1999). Also according to Larson (1999) RM is about building relationships and interactions unlike traditional marketing, which aims at obtaining transactions as a result of its strategies. RM deals with all the relationships of an organization (Larson, 1999).

Morgan and Hunt (1994) came up with a model that shows partnerships in relationship marketing. Those partnerships are of four kinds: supplier partnership, lateral partnership (especially with competitors, non-profit organizations and local governments), buyer partnership (with customers) and internal partnership (between different departments in the company and business units like subsidiaries).

Blomqvist (1993) emphasised the role of such factors in RM as: leadership, organisation culture, organization and resource allocation. This links the RM with the theory of the organization.

Grönroos (1997a) and Gummesson (1997, 1998) assumed that RM is about long-term cooperation. To be successful in this cooperation Harker (1999) came up with seven RM constructs: creation, development, maintenance, interaction, long-term, emotional, content and output. This shows "...the long-term perspective of RM... to develop and maintain long-term relationships". (Larson 1999)

Margarella, 2003, wrote that RM is "... one of the most effective and most economical means of marketing ...". In RM an organization has to put a lot of effort into creating relationships but in the long-term they bring larger benefits than advertising or traditional marketing. Building relations in the organizations is

essential for continuity of operating and loyalty within the company and its environment.

Looking at Göteborg as a tourist destination and all the organizations that are working on sustaining Göteborg's "vision", it can be assumed that the cooperation network of those organizations in the city is long-term. Furthermore this suggests that though the operating is long-term, it is much easier to build relationships both in the network and outside it.

## **2.8 Customer satisfaction / Service quality**

Quality management practices in the service sector attracted increasing interest in the 1980's and there is now a developing body of general literature (Redman et al., 1996). Service quality has been accepted as an important variable in managing and marketing service products, and thus, it is profitable for service organisations. Concepts and Models have been developed as an approach of managing quality for competitive advantage.

In 1991, Parasuraman et.al. stated that service quality is the foundation for service marketing because the core product being marketed is a performance, and a strong performance of the service concept builds competitiveness by earning customers'

confidence and reinforcing branding, selling and pricing. Grönroos (2001) compared traditional marketing models to service marketing models, stating that the most important characteristics of services is the fact that services are interactive processes. The consumption of services can be characterized as “process consumption”. In this context he described the perceived service quality concept. “True quality” is evaluated by the consumer during and after the service encounter (Grönroos, 2001). Quality is in the eye of the consumer, and, therefore, it can win and keep customers who are the lifeblood of any business. (Ghobadian et al., 1994). One may then ask how the service concept is transformed to something that provides satisfaction - how is the satisfaction - providing process perceived by customers of the service? The intangibility of the service provided by tourism and hospitality industry, make it quite difficult to measure the quality of service from the customers’ perspective. According to Ghobadian et al. (1994), quality is not a singular but a multi-dimensional phenomenon. Grönroos (2001) provided the answer as the perceived service quality model, which he termed as the determinant of quality. With these determinants, the service provider is then able to identify relevant factors for further measurement of the quality. It is of great importance that the interpersonal behaviour of the service provider is an important influence on customers’ perceptions of the quality of both service

process and service outcome. In this light, service encounters with the customers should focus on their satisfaction, in this case, the business traveler satisfaction.



## **3 METHODOLOGY**

### **3.1 Data collection process**

Both primary and secondary data were collected for the purpose of this study. The data collected was divided into various parts in order to address particular issues under discussion. Different means of contacting respondents were also used to access information required. This included structured observations, Internet, interviews (personal and phone), surveys, field documents, theories and other researchers' work.

#### **3.1.1 Primary Data:**

This was categorised into five main parts based on the source of information and the purpose for which they were taken. The sources of our empirical data were grouped as follows:

- Companies responsible for tourism in the city of Göteborg
- Major business groups or companies in Göteborg
- Networking companies (Liaise between the business groups in Göteborg and the global business market)
- Service providers in the tourism and hospitality industry in Göteborg
- Business Delegations to Göteborg (The Chinese Business Delegations)

The first category of data gathered was general information on tourism, especially business tourism. This was taken from companies, which were directly responsible for developing and marketing Göteborg as a tourist destination. The main sources were the City of Göteborg, Göteborg & Co. and its subsidiary Göteborg Convention Bureau. Information such as, their roles in the tourism sector, general statistics on business tourism, their collaboration with other companies and such was gathered. The Swedish Research Institute of Tourism was also contacted for some statistics on Business Tourism in Sweden, Göteborg and Stockholm. The significance of this information was to understand and have a holistic picture of business travel and tourism in Göteborg; knowing what the city could offer (thus the tourist products), the different business tourists like the Chinese business delegations, and their reasons for visiting. How best these tourist products are packaged in meeting and satisfying the target market's needs and expectations were also sought (thus how well their needs are understood by these organisations). All of this information goes a long way towards influencing the decisions of these business delegations in their choice of the destination for tourism motives apart from their main business intentions, and also influence their satisfaction level during their visit to the destination.

The means by which this data was collected were primarily through the Internet and further discussions were undertaken by having a personal and phone interviews with the persons in charge of the marketing section of these companies.

The second category of primary data was taken from some major business groups or companies in Göteborg. These companies play very important roles in building the image of the business sector of Göteborg. They are the main drivers of the business economy of the city and they include: Volvo Truck AB and Volvo Car Corporation, SKF AB, Victor Hasselblad AB, Telematics Valley AB. As leading companies in Göteborg Region, most foreign or business visitors to the city do not leave without a look around or taking a tour in these companies.

The choice of these companies for the account of this paper was as a result of the increased awareness of these companies in China. These corporations have established special relations in terms of business with certain big cities in China. This has aroused special interest in the minds of most Chinese business groups, thus the desire for the Chinese business market to be associated with these companies in one way or another. For this reason further investigation was undertaken to understand how these companies attract Chinese business groups to Göteborg and how they satisfy their needs and expectations.

An open-ended questionnaire (see appendix B) was designed purposely for a personal interview with these companies. The open-ended questionnaire was to provide some structure and order for our interviews with these companies, and these questionnaires were sent by e-mail to the respondent to have a preview before meeting with them. This gave them the opportunity to prepare and provide answers to the questions where necessary. Their contributions will be discussed later in the course of this paper. The goal of these questions to these companies was to understand the following:

- Their categorisation of visitors for the company, narrowing down to Businessmen and the Chinese business traveller.
- The travel process of these business delegations to the destination
- The tourism and hospitality role played by these companies to their guests - the business delegations (For instance on their arrival, during their stay (how their stay is managed and how well the organisers or management understand their needs and expectations)
- Stakeholder management (the collaboration and relationship with other business groups in Göteborg, to satisfying these businessmen)

It must, however, be noted that general information about these companies was ascertained via the Internet. The brief profile and history of these companies is provided. (see appendix A).

The third category, which plays the role of an intermediary or a network between the business groups or companies in Göteborg and the global business market, were also interviewed. The main company in Göteborg is Business Region Göteborg, which is responsible for promoting and developing trade and industry in the Göteborg region. (*see appendix A for details*). The Western Swedish Chamber of Commerce also plays a similar role in marketing Göteborg to the global business market. The latter could not be interviewed because of lack of contact.

Based on the direct co-operation BRG Göteborg has with the Chinese market, further inquiries were made to ascertain and understand the relationship they have with the business delegations and how they co-operate with other businesses in Göteborg, in satisfying their needs and expectations. Similar investigation was also carried out with them as it was in the case of some major companies in Göteborg. Same questionnaires with a few additions were used and further discussion ensued. This led to the involvement of another important organisation in this respect known as the

China Forum (*see appendix A, for details*), which is under the auspices of the BRG Göteborg.

The China Forum was founded a few years ago to develop foreign trade, economic and technological co-operation between China and Sweden. Because of the role they play and direct contact with the Chinese business delegations, we paid a visit to the organisation where we were introduced to one consultant (Sture Pefjell) who works directly on projects related to business groups in other countries especially the Chinese market. Most of our discussions with him were based mainly on how the Chinese business travel is organised, thus from China to Göteborg and how their stay in Göteborg is managed. Most of this information was taken through a personal interview and followed up through phone interviews and e-mails.

Another company of interest to the Chinese market in Göteborg is Svenska Ostindiska Companiet also known as The Swedish East India Company (*see appendix A for details*). The company is a form of network between these two cities, (Göteborg and Shanghai) and in this case was also considered in contributing to accomplishing the purpose of our discussion. As the project vision says, it is to foster an interest in Swedish history and promote international cultural exchanges and to function as a platform for Swedish companies in international and national marketing

and trade. ([www.soic.se](http://www.soic.se)). The shipyard is also a popular tourist attraction with an exhibition hall and guided tours. “It is a unique project which opens door to China for trade and business in West Sweden”.

For these reasons, further investigation was made to understand the collaboration and relationship this company has with other business groups in Göteborg in order to establish, develop and build Göteborg, with an attractive business and hospitality image for the target market, in this case the Chinese market. The roles they play in the area of tourism and hospitality were also discussed. This information was obtained through personal interviews with Elizabeth Thörnblom (Bokningsansvarig). A follow up interview was also conducted via telephone and e-mail with the respondents responsible for business development in China and also the person responsible for hospitality. More general information about the company was taken from the company’s web site and some field reports and hand outs provided by them.

The fourth category of primary data gathered, as far as business travel is concerned, was taken from service providers in the Tourism and Hospitality Industry in Göteborg, These include hotels, restaurants, airline companies and other related services to tourists. Unfortunately most of these were not covered as a result of lack of time and resources. However a few hotels were interviewed and they include

comprise Hotel Gothia Towers, Scandic Hotel, Radisson SAS, and Liseberg Heden Hotel.

This information was taken with the aim of understanding and evaluating their standards as they tend to meet the needs and expectation of their customers, especially the business tourists. Questionnaires (*see appendix D*) were designed for these companies, which were discussed further with them by conducting a face to face interview with persons concerned, mainly from the marketing department.

The last but not least category of primary data was collected through a survey with Chinese business delegations. The questionnaires were initially designed for two phases (*see appendix E*): the business delegations who visited the city during the course of our paper and those who had already been in the city before this paper was written. The latter group of delegations were not contacted due to a lack of contact information.

The survey was conducted among eight Chinese business tourists, Chinese Travel Agency in Stockholm, and the Chinese Consulate in Göteborg, while The Consul (Economic & Commercial) summarized trips and views of many Chinese delegates. The questionnaires were distributed in November 2003 directly to the respondents.

Different means of contacting these respondents were employed. An introductory e-mail was sent directly to the selected organisers or persons in charge of these delegations, which are normally the hosts in Göteborg. A brief introduction to our paper was made to these delegations after which questionnaires were left with them to fill later on. Another important person interviewed were the Chinese consulate to Göteborg and a Chinese travel agency, based in Stockholm. This survey was conducted via the Internet. Since these respondents have access to the internet and e-mail, the use of these media in the data collection was considered appropriate, and the potential bias was regarded as a relatively minor issue. The use of Internet as a survey medium offers several benefits to researchers, with time and cost savings being two of the most prominent ones.

The survey was undertaken with the aim of understanding the Chinese business tourists' behaviour and their process of travel, and gaining insight into their needs and expectations as far as their travel intentions are concerned. With this we will then be able to evaluate, and establish the ways of satisfying them with what the city could offer them in the area of tourism and hospitality, thus the ways of marketing Göteborg as a destination for business travellers.

An open-ended questionnaire was used, which led to vague answers by the Chinese travellers interviewed. This was a limitation to the analysis in terms of supplying a broader picture of how Chinese business tourists are treated during their stay at the destination.

Owing to the limitations of funding, a representative sample of the Chinese business traveller population could not be attempted. A non-representative convenience sample was selected. This is when the “surveyor” selected a sample because it is convenient or believes it is typical, or perhaps because it is composed of especially interesting cases. (Salent and Dillman, 1994, p.62)

It must also be noted here that the sample size used for the survey was not defined, limiting the representativeness of the population under discussion, hence generalising the results might not be accurate. Moser and Kalton (1979) also cited by Callan et al (2001) indicates that, the main deciding factor of the size of a sample is the cost involved, rather than any other practical limitations. The accuracy of the sample is far more important than its size (Oppenheim, 1992).

#### *3.1.1.1 Method of collecting data:*

In the course of all the interviews conducted, notes were taken by all the three writers of this paper. These notes were later compared and after discussions, reports were written. All written reports can be found as appendixes for this paper.

#### **3.1.2 Secondary data**

Published data that has been compiled for a purpose other than the present study was also used extensively. Both internal and external data sources were explored. The books relevant to the field of interest to this paper were attained at Handelshögskolansbiblioteket and some of them from tutors' private collections. Those were mainly publications on tourism and travel, marketing, management and other areas relevant to the thesis topic. A number of recent publications, such as articles, extracts from books, were obtained via websites. Most of the information was obtained by searching mainly in Business Source Premiere, Tour CD, Wiley Interscience, Emerald Insight databases. Some of the key words used in the search process were business tourism, business travel, Chinese travel market, destination marketing, relationship marketing. Many websites were visited and served as one of the sources in the data collection process. Various companies' and organizations' publications, statistical data and brochures were also a big source of information for

this study. Materials collected from certain courses during the Master's Programme also assisted in writing this thesis.

### **3.2 Limitations**

The limitations confronted during the process of collecting this data were mainly the unavailability of the right people responsible for providing the information, as most of them have busy schedules. Another limitation encountered in our attempt to gather information was the restricted time to have an elaborate picture of all the issues stated in the paper. One more barrier was lack of financial resources to enable us acquire high quality data especially in the area of the survey with the Chinese business delegation to Göteborg. Sufficient financial support could enable the surveyors to travel to China and undertake adequate surveys. Phone interviews also could not be afforded to a large extent. Within different interactions with respondents, a number of cases revealed that language was an obstacle in obtaining concrete information. It is also worth pointing out that the confidentiality of some information sought limited the researchers' in-depth knowledge in certain areas relevant to the issues under discussion.

## **4 FINDINGS (EMPIRICAL DATA)**

In order to answer the questions raised in the problem statement and to meet the objectives of this paper a number of interviews were conducted. This was to ascertain the appropriate empirical data for the analysis of the paper, to gain the knowledge for recommendations and conclusion in the subsequent chapters.

From the various interviews conducted, based on the objectives of the paper, the findings were grouped according to four areas of interest. These areas were developed after gathering information from the interviews held. These are as follows:

- Companies' Approach to the Categorization of Business Travelers
- Packages offered by Companies to their guests
- The travel process for business travelers to the destination
- The hospitality services providers
- The collaboration between different stakeholders in the business industry

## **4.1 Companies' approach on the categorization of business travelers**

From the interviews held with the big companies in Göteborg, business travelers were grouped according to their intentions for visiting to the company. Volvo Truck Corporation has three main groups: those who visit for strictly business purposes, politicians, and those who come for tourism purposes, (with no business intentions). SKF provided a general categorization of visitors to the company: customers, suppliers, politicians, and "others" (schools, on goodwill - individuals, mostly retired people). Telematics grouped visitors to the company as, important to the company and those out of the interest to the company. Another system of visitor categorization is implemented by Svenska Ostindiska Companiet, where three main groups were identified: VIP's, business visitors and tourists. Business Region Göteborg divides guests to the company based on the status of their profession. These are mainly politicians and businessmen. Like BRG, China Forum mentioned that, the Chinese business groups to companies in Goteborg are categorized mainly as politicians, customers who come purposely for business tours and individuals, having no business intentions.

## **4.2 Packages offered by companies to their guests**

The primary idea of implementing the above described system of visitor categorization is based on the intention to satisfy the needs of these visitors. Depending on the purpose of their visit, the companies offer different packages of services, which can be as simple as a regular tour around the company or more complex offers. In terms of financial issues regarding the visits, the above categorizations are also salient. Group of visitors, which have an impact on the companies' business are provided with sponsorship in different forms. The packages that these important visitors are provided with include dinners, sightseeing, covering their hotel expenses and other additional services. (See appendix A for details)

What has been discovered during the interviews with the hospitality industry in Göteborg is that none of the examined, offers packages exclusively for business tourists. Only leisure tourists are of enough interest for the hotels to warrant investing into creating a number of convenient packages. All the researched hotels offer programs of bonus cards for their guests. The bonus card program is a system of collecting points every time a guest is visiting the hotel. If the hotel is operating within a chain, guests can obtain points in every hotel belonging to the chain. This kind of program enables all the guests, both leisure and business, to

gain more services for the same price according to the number of collected points. As mentioned above business tourists are not being offered any packages. Instead hotels sign annual agreements with different companies, who are the suppliers of business travelers to the hospitality industry. As a result of agreements mentioned, companies are able to receive discounted room rates for their business travelers.

### **4.3 The process of travel of business travelers to the destination**

#### **4.3.1 Results from the interviews with different companies in Göteborg:**

In all the interviewed companies the process of planning and organizing the trip and the stay of coming delegations is strongly differentiated. A number of the companies organize the travel and stay of visiting businessmen themselves, others leave this process to travel agencies and some actually do not take part in it at all.

##### *4.3.1.1 Volvo*

The Volvo office in Shanghai plays an important role, when organizing arrivals of delegations from China. As mentioned in Chapter 1, Chinese citizens require an invitation from the destination country, when travelling abroad. The Volvo office in Shanghai provides all potential visitors to Volvo - Göteborg with these

invitations. Other matters concerning the travel and stay of Chinese delegations to Volvo in Göteborg are organised by a travel agency in China. This agency arranges the whole trip and stay of the Chinese delegation in Göteborg, including flight, accommodation and afterwards sends the bill to Volvo in Sweden (that is if the business delegation or guest is of great importance to the company). In the Volvo office in Göteborg, Assistant Marketing Manager (Rose-Marie Kallas) is the person responsible for dealing with Chinese delegations. To meet the needs and expectations of Chinese businessmen, Volvo makes an effort to invite them to Chinese restaurants and provide them with Chinese speaking guide.

#### *4.3.1.2 Telematics*

Telematics does not take the initiative to invite any delegations from China; however they receive a group, at least once every week. That is due to Telematics' relations with Business Region Göteborg and Invest in Sweden Agency (ISA). Because these organizations establish and keep many international relations, the flow of international visitors and delegations to Göteborg through those organizations is very high. Since Telematics Valley is a network platform for many internationally owned companies, it is of great interest for business delegations to visit the company. Nevertheless, Telematics is not at all involved in

the travel and stay process of Chinese visitors. Tomas Gabinus (Executive Director) is responsible for receiving Chinese delegations in Telematics Valley.

#### *4.3.1.3 SKF*

With regards to the process of travel, 25% of the total delegations are normally invited by the company and the average period of stay is 1-2 days. These delegations are mainly politicians, customers and employees from affiliate companies in China. For this group, inviting is normally done by the different divisions of SKF who also takes responsibility for managing the stay of these delegations. But there are times where this role is delegated to the PR service department, who manages all visitors. The travel expenses of delegations invited by the company are paid by the company only when these delegations are of higher status and of great importance to the company.

Groups that are not invited by the company are usually taken care of by a travel agency in China. And this group foot their own travel expenses. The process of their visit (transportation, accommodation, tour package) is arranged prior to their arrival at the destination by a travel agency in China with the support of another agency in Sweden, normally in Stockholm.

#### *4.3.1.4 Business Region Göteborg*

When it comes to Business Region Göteborg, some of the delegations' travel and stay arrangements are supported by the organization, while other Chinese businessmen have to coordinate those engagements themselves. This is strongly dependent on the meaning of the delegation to Business Region Göteborg and to the city of Göteborg. Normally it is the company's responsibility to arrange invitations for the coming Chinese, especially the politicians. However, in case of smaller companies willing to receive Chinese delegations, when Business Region Göteborg plays only a supportive role, those companies are in charge of dealing with invitations themselves. Official delegations related to the sister city agreement between Göteborg and Shanghai is being provided with adequate sponsorship in covering the expenses of transportation, accommodation, food and entertainment. Regular business delegations are covering the costs of visits themselves; nevertheless they may acquire a service from a travel agency in China, when arranging their trip. There are different people within Business Region Göteborg who are in charge of receiving Chinese delegations. China Forum works closely with BRG in managing the stay of these delegations. They plan the itinerary and organise programmes for the delegations during their stay in the city. This is normally done prior to their arrival.

#### *4.3.1.5 Svenska Ostindiska Companiet*

Svenska Ostindiska Companiet, being one of Göteborg's attractions, usually does not directly deal with the basic trip and stay arrangements for their visitors. Svenska Ostindiska Companiet and its project East Indiaman Götheborg (as an attraction in the city) is visited by various delegations, whose prime interest is in other companies in the city. Although the company does not take part in any hospitality arrangements of their visitors, it may provide advice to their customers (other companies) on accommodation facilities in the city. For the purpose of receiving visitors, the department of reservations is effective in the company. The person in charge is Elisabeth Thörnblom.

#### *4.3.1.6 The Consulate General of the People's Republic of China in Göteborg*

The Consulate General of the People's Republic of China in Göteborg is responsible for receiving all the high officials from China, who intend to visit Göteborg. For these delegations arrangements such as transportation and accommodation are made and all expenses are covered by the Consulate. Furthermore, the Consulate plays an important role in bringing Chinese business delegations to companies in Göteborg and in Sweden, which have an interest in Chinese market. The Consulate provides Chinese travelers with regular help and

assistance. The Chinese Consulate, like Volvo, collaborates with the travel agency in China, which has its office also in Göteborg. The agency coordinates trips and stays of Chinese delegations in Göteborg or in Sweden, especially when delegations visit more than one city. Cheng Zhenchuan, Consul (Economic and Commercial) is the person responsible for receiving and handling delegations, with special emphasis on business delegations.

#### **4.3.2 Results from the survey conducted with Chinese delegates:**

The knowledge about the city of Göteborg among the examined group of Chinese business travelers was created mostly by business contacts, but according to the Chinese Consulate also through sister city relations between Göteborg and Shanghai and by “Sweden Goes to China” activities.

The trip for the visitors in question was arranged by the inviting companies in Göteborg. Most of the investigated business tourists used the services of travel agencies in China before coming to Göteborg. The majority of the companies’ visitors contacted the Baihehua travel agency. The Chinese Consulate regularly gets in touch with Lotus travel agency at their office in Göteborg to arrange the trips. Chinagateway and China travel are also travel agencies, normally used by

Chinese business travelers. Seven persons in the examined group choose Finnair as their airline; the second most commonly used airline is SAS. Other airlines used by these travelers are KLM, Air France.

The delegates are normally received in Göteborg by the host company or host organization, which invited the Chinese business tourists to the city or by the tour guide responsible for the delegation during their stay in the city.

The delegates stayed in different hotels, depending on the specific company's agreements with the hospitality industry in the city. Quality Hotel Winn was most often mentioned as the lodging facility in Göteborg among the research group. One person mentioned staying in a company apartment. The Chinese consulate lodges their visitors mostly in Radisson SAS Scandinavia and in the Scandic Hotels chain. As respondents of the survey answered, the accommodation during their stay in the city was arranged either by the host company or by a travel agency and that was done prior to their arrival.

Rented bus or minibus are the transport arrangements provided to the visitors during their stay in Göteborg. One respondent mentioned using public transportation, while staying in Göteborg.

#### **4.4 The Hospitality Service Providers (Hotels)**

To measure the quality of the hospitality services in Göteborg delivered to the business travelers (the group of interest for this paper), interviews with a number of hotels were conducted. The aim of these interviews was to examine the current situation in the business tourism market within the hospitality industry and to develop an estimation for further enhancement of the aforementioned sector. The chosen hotels were: Hotel Liseberg Heden Radisson SAS Scandinavia, Scandic Hotel Europa, and Hotel Gothia Towers.

The prior issue for analysis is to describe different categorizations of tourists which are implemented in the hotels. The main distinction is commonly kept between the business and leisure tourists. The categorization in Scandic Hotel Europa is based only on those two variables, whereas other hotels work within more sophisticated system of categories. Hotel Radisson SAS divides their guests into seven categories, from which four are the most important: business groups, business individuals, leisure groups and leisure individuals, this is also common with Hotel Gothia Towers. Four different categories of tourists are executed in Hotel Liseberg Heden: leisure guests, business guests, restaurant guests and conference guests.

As one could observe, the systems are diverse and vary within different hotels, but the necessity of assembling this specific sort of information is apparent and of great importance for further service development in these hotels. Owing to the outcome of these categorizations, hotels make inquiries on the percentage of business guests checking into the hotels, in comparison to the leisure and other guests. This may later be valuable for drawing conclusions and developing future strategy for the hotel marketing and management.

Based on the results of the above systems of categorization, hotels included in this study were able to define the percentage of business tourists in the total number of tourists. In Hotel Liseberg Heden, the number of business guests varies from 60 – 65 %, Hotel Radisson SAS Scandinavia estimates that business travelers account for 73% of the total number of guests, whereas Scandic Hotel Europa, considers this information as confidential however defines the business group as the majority. In regards to the nationalities of the business guests, domestic travelers are the leading cluster. However, international business guests are 30 – 50 % of the total. In Radisson SAS Scandinavia the number of domestic and international business travelers is equal and comes as 50 % per each. The number of international business guests in Hotel Liseberg Heden varies between 30 – 40 %, which makes it less than to the national guests. Scandic Hotel Europa lacks the

information on the number of international business guests. Nevertheless the hotel has a greater percentage of domestic business travel.

According to the illustration above, one can perceive that domestic business travel is the major contributor to the hospitality industry in the city. Considering international destinations, the business guests in the researched hotels come primarily from United States of America, Norway and the United Kingdom. The average stay of businessmen in these hotels is 1.5 nights.

Regarding the occupancy rate of business tourists in the interviewed hotels, the low season for business travel is summer and the first two months of the year. Peak season in the hospitality industry for business tourism in Göteborg comes in spring and autumn. A very influential factor for high occupancy rate in most of these hotels is trade fairs and other big events held in Svenska Mässan. Hotel Liseberg Heden, Hotel Gothia Towers and Radisson SAS Scandinavia acknowledge trade fairs as a reason for higher frequency of business guests. When observing a general trend, the flow of business tourists in hospitality industry in Göteborg has been stable over the years. Ulrika Douhan-Guest Relation manager of Scandic Hotel Europa mentioned that the efforts made by Göteborg & Co. in

developing the city as a tourist destination, contribute a great benefit to the hospitality industry.

#### **4.4.1 Measuring the level of guest satisfaction in the hospitality industry**

To measure the level of satisfactions among the guests, each hotel has implemented a sort of survey. In Scandic Hotel Europa there are questionnaires, to measure guest satisfaction. The questionnaires are four pages long, written in guests' native tongues and are being sent out to guests' home addresses after their stay at the hotel. Guests are chosen on a random basis. According to Ulrika Douhan (Guest Relation Manager), the rate of response of this survey is very high and the outcome is evaluated regularly.

Short questionnaires that guests fill in when checking out to examine customer satisfaction are carried out in Hotel Radisson SAS Scandinavia. There are four kinds of questionnaires and each one of them consists of five questions. The results are analyzed almost every month.

Hotel Liseberg Heden conducts a survey among its guests twice a year (winter, summer). Apart from measuring the level of guests' satisfaction, questionnaires also provide the hotel with the knowledge on the purpose of the guests visit, their country of origin. The results are summed up twice a year.

The general view of the business tourism market of the sample of hotels in Göteborg can further be narrowed down to the group of interest of this paper, the Chinese business travelers. According to the results from the conducted interviews, the Chinese businessmen are defined as a very small percent of the total number of hotel guests. In Hotel Radisson SAS Scandinavia the Chinese business tourists account for approximately 0,057 % of all guests, in Hotel Liseberg Heden the received number of Chinese business tourists is included in the total number of guests coming from Asian destinations, 1-5 % (mainly from Japan and South Korea); therefore the specific percentage of Chinese can not be defined. Scandic Hotel Europa has no record on the number of Chinese businessmen staying in the hotel; however the group is defined to be diminutive.

In terms of prospects for the future, the general assumption, according to the interviews, is that the increase of the number of Chinese business travelers coming to the city of Göteborg is directly dependent on the trend in businesses between Göteborg's companies and Chinese market.

## **4.5 The collaboration between different stakeholders in the business industry**

The business environment in Göteborg is growing trend. Due to its central Scandinavian location, many international companies choose the city for their north departments and headquarters. The number of foreign owned companies in the Goteborg Region increased from 922 in 1999 to 1442 companies in 2001(Business Region Göteborg publications, 2002). Together with domestic companies, which have existed in the city for years, Göteborg can be illustrated as a city with a vivid business life.

To enhance the quality of business settings in the city, the attempt to create relationships between different organizations and companies is undertaken. The local authorities are the main drivers of these relationships, thereby assisting to create the business industry cooperation within and outside the region. There are also various organizations in Göteborg that aim to establish co operations with members of the business industry and promote them and the city both nationally and internationally. Business Region Göteborg is one of those organizations, with the support of the City of Göteborg, helps to create awareness of Göteborg and its business industry. The main goal for this organization is to launch relationships with different business regions worldwide, with the purpose of bringing the

business interest of these regions to the city of Goteborg. Amongst the few relations that have been established with other regions by BRG, Shanghai in China is one particularly significant city. Efforts from both sides have been taken to strengthen these ties. (*See appendix A for details*).

Another important organization which has been able to establish contacts with major companies in the city is SOIC. What started out as an idea about building a ship has grown into something much bigger. The project can be seen as a form of company or non-profit organisation that is dependent on sponsorships, contributions, and subsidiaries for its funding. This has led to the establishment of strong relations within the business industry in the city. The shipbuilding yard has become a popular tourist site and meeting place for businessmen with a special interest to the Chinese business market.

Telematics is another structure created for regional networking and communication and a platform for the global promotion of West Sweden. Telematics Valley has one principal goal and that is to generate more business for the companies involved in Telematics Valley. The basic idea as mentioned by Tomas Gabinus is to achieve this by doing two things: “Firstly, build meeting places and facilitate the networking between companies in the region. Thus

increasing inter-company relations and secondly, to market the region and place Telematics Valley on the map as a unique cluster of competence within Telematics.” He further stated that “the long-term vision is that the Telematics Valley brand will strengthen each individual company's brand when interacting with international customers.”

The companies described above can be considered as networking organizations with a primary aim of cooperating with other business individuals. Major companies like Volvo, SKF, Hasselblad, Ericsson. ride on the back of these networking companies in order to obtain communication with other companies within the industry. *(See appendix A for details)*

# 5 ANALYSIS

## 5.1 Introduction

In an attempt to address the problem statements addressed, concerning setting Göteborg as a destination for business travel and tourism, this chapter analyses the situation, in order to meet the objectives of this paper. References will be made to a set of principles and criteria stemming from models by some commended analysts on the subjects under review, and also serve as a tool box or framework for the discussion of the areas of our interest, hence raising issues for laudable recommendations.

The structure of this chapter is thus organised as follows: the first section discusses the different categorisations of business travel and tourism, making references to the diverse approaches by some authors on the subject, thereby raising issues relevant to classifying the target market for this paper - the Chinese Business Traveller. The second section describes how business travel and tourism is generated to a particular destination, for that matter to Göteborg. Issues such as how to induce business travel and the factors influencing this phenomenon will be examined. The third section deals with issues regarding the services provided by the tourism and hospitality industry in meeting the needs and expectations of the

business traveller. Hotel services are the main focus of this paper, and matters concerning understanding the customer's expectations, how these service providers look upon the need of their customer (target market), what programmes schemes have been implemented to satisfy the needs of their customers, thus packages offered to the business travellers will be examined. The fourth section explores the Chinese Business travel market, by examining its importance to the tourism and hospitality industry in Göteborg, hence the need to create the awareness of this market segment. Other issues, such as customer (the business traveller) expectations for the destination will be discussed, therefore analysing (linking it to) the satisfaction of Chinese business tourists in Goteborg, and Göteborg as a business destination.

## **5.2 Categorization of business travellers**

Drawing from the theories propounded by different authors on the types of tourists in a destination, it can be said that tourists are classified according to the purpose or motive of their visit to a destination. The main division is drawn between leisure and business tourists. Tourists remaining in the leisure group were strongly analyzed regarding travel motives, choice of destination, length of stay, type of accommodation, activities included. Coming from these distinctions, leisure travellers were put into many different classifications, which is, however,

not the case in regards to business travellers. The only break down for the types of business tourists was developed in relation to the activities they engage in during their stay in a destination. Three major components were designed. These are the individual or corporate business travel, incentive travel, and meetings and conference travel. (Wootton et al, 1995). Meetings and conference travel has received a lot of attention from researchers, consequently providing the area with a wide range of analytical work. The interest for this sector can be attributed to its immense contribution to total returns of business tourism. Contrary to what is mentioned above, “business travel” lacks the empirical research, which could serve as a background for further development, regarding analysis of this sector.

In this light, the subsequent paragraph will attempt to discuss the system of categorization of business travellers, from different perspectives. These perspectives include the approaches of companies receiving business travellers, as well as the service providers in the hospitality industry. From our findings, a general outline can be drawn regarding different classifications of business guests.

### **5.2.1 Companies’ categorization of business travellers**

The general categorization of business travellers among companies is built upon the status of these travellers and the interest they hold toward these companies.

Therefore two major groups are identified: politicians and businessmen. When referring to the group of politicians, they come for official meetings on both governmental and corporate levels, initiating the grounds for further business relations. This phenomenon is common among Chinese delegations to Göteborg, where politicians always come with a group of businessmen, to facilitate business transactions and agreement with the visited companies and organizations in the city. Businessmen, the second group selected, have different interests during their visits. Among these travellers, one group comes strictly with business intentions, like negotiating and signing business contracts, and other business transactions. This group of people also engages in short presentations and seminars which precede further transactions. Telematics Valley referred to this group as “important”.

The other business travellers come to the city on a business tour, with the intention of exploring the business environment, visiting the biggest companies and getting acquainted with the modern trends in the city industry surroundings. These travellers do not intend to directly deal with business issues while visiting. Their visits are comprised of business purposes as much as other activities, such as sightseeing, visiting city attractions.

### **5.2.2 Categorization of business travellers in hotels**

For practical purposes of developing the quality of services in hotels, all the hospitality service providers keep their own categorization of business travellers. From the data collected on this matter, one general distinction among business travellers may be outlined, that is: business groups and business individuals. Business groups, analyzing from the size of this cluster, predominantly refer to conference and meeting participants, which check into the hotels in numbers larger than one. The individuals are the single business travellers.

### **5.2.3 Categorization of business travellers to Göteborg**

After getting acquainted with the literature resources on categorizations of business travellers and analyzing different categorizations implemented in the interviewed companies and hotels, an attempt will be made to develop a new classification, useful for all the stakeholders in the tourism industry and for further research. For a better illustration a model will be designed.

According to Woodward (1991) business tourism consists of incentive travel, meeting and conference travel, and business travel. For the focus of this paper the group of business travellers was chosen. From the findings of the research undertaken, a further division into three subgroups was identified in this sector:

politicians, corporate and individuals. Three variables were defined which afterwards served as a basis for developing the classification. These variables are source of financing, interests and status of the business travellers to the destination. Considering the source of financing, different approaches toward covering the travel expenses were observed: funds from the host company, governmental sponsorship, personal income source. Interest, the second variable, defines the intentions that a business traveller holds for the visiting company. In addition, status can be described as a traveller's importance to the company's interest and influence on company decisions within transactions and contracts.

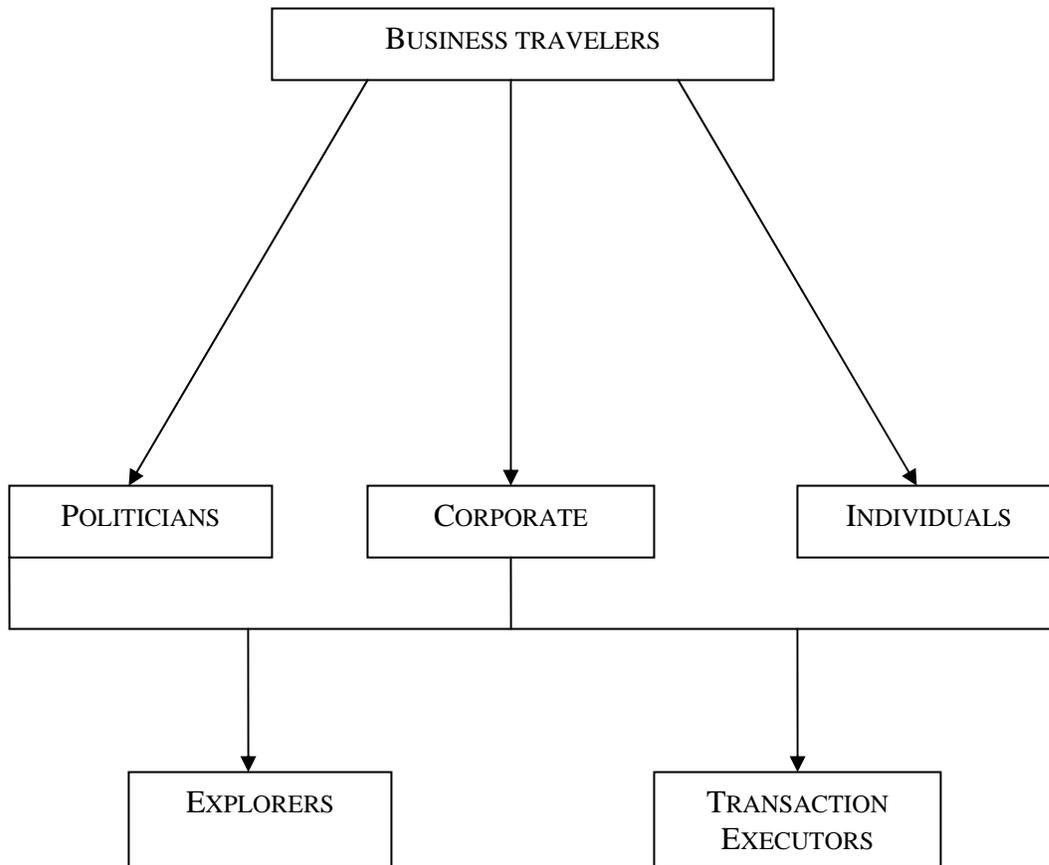
With regard to the above mentioned variables, the three subgroups of business travellers will be described. It is worth mentioning that the process of defining the subgroups was strongly influenced by categorisations observed in the researched hotels and companies. These variables work together in defining the subcategories. In every category there is a dominant variable defining it.

Politicians are financed by the governmental sources of their country of residence or by the host city, company or organization. They keep interests representative of authorities of their country, province, municipality and their status is defined as

official to the visited company. In this group of travellers, the leading variable is the status.

Within the group of Corporate travellers, the expenses are covered by the host or the home company. All the participants of corporate travel share the same business interests and play rather significant role to the host company. It is important to note that their interest of the destination is not for personal use, rather of the home company. The most influential variable within this group of travellers is interest and the source of financing for their travel expenses.

The group of Individuals is financed from their private income sources or by their home company. They are not entirely consumed by the idea of direct dealing with corporate issues, but also intend to include other sorts of activities. These vary from taking a tour around the destination to knowing the business environment of the destination by visiting different companies. The status of these individuals is the potential impact they may have on the companies and along with that, on the hospitality industry. Concluding from the above, the variable that reveals itself as most important for that group is interest.



Model 1: The categorization of business travelers to Göteborg

In conclusion, it must be recognised that the behavioural pattern of the three groups of business travellers, as discussed in the above, are not mutually exclusive. Thus, each group may have dominating variable that may be evident in the other.

In regards to the three categories defined above, one more distinct observation could be made. In terms of to the travel activities, there are two main types of all

the business travellers. These are: travellers who explore the business environment, and those who visit the destination purposely to execute business.

### **5.3 Hotel services to business travellers**

Hotels, heavily fragmented in nature, are traditionally classified into independently owned and chain affiliated, based on the dominance by owner operated small to medium sized enterprises (O'Brien and Jones, 1995). Chain hotels can be grouped as national or international, and according to Knowles (1996), the UK and France are now in control of some of the best known chain and brand hotels in the world. In the context of analysing the services provided by hotels to business travellers, the choice of hotels sampled for this paper was not based on any particular factors; however, the size, the location, importance and status of these hotels in the city, were taken into consideration. (Hotel Gothia Towers, Radisson SAS, Hotel Scandic Europa, Hotel Liseberg Heden).

Form the research conducted, it was ascertained that the general services provided by hotels to their guests are usually standardized. However, based on the types of guest, as described in chapter four, certain aspects of the services vary. *But then, one may asked how distinctions amongst guests are made.* According to Buckley, (1996), information has been cited as an important contributor to a firm's

competitive advantage. Information intensiveness and the extent to which service providers are able or willing to customise their services offered to their individual customers, contributes greatly to building customer loyalty. The hotel sample implements some form of questionnaires to gather information about their guests, which enables management to develop strategies in managing their customers. Conventional definitions of marketing emphasise the importance of understanding customers' needs, implying a requirement for appropriate methods of collecting, analysing and acting on information about customers' changing needs.

As research shows, it is more profitable to retain existing customers, than constantly seek new customers to replace old ones (Reichheld and Sasser, 1990; Hamilton and Howcroft, 1995). In this light, the interviewed hotels design loyalty schemes amongst their customers for both leisure and business tourist. But more emphasis is given to the leisure tourist since business travellers in general do not require any special services. This was described, for example, in that, mentioned by the reason that, business travellers are more interested in the simple services (food and bedding). This behavioural pattern of the business traveller was ascertained through the varied questionnaires executed by the hotels. It was common amongst the entire hotels interviewed that business travellers stay during

the week and the average period of their stay is 3 days – Mondays, Tuesdays and Wednesdays.

It must be noted that, the annual agreements signed by these hotels and business companies or organisation, in offering services to their guest (the corporate business traveller), are also a form of loyalty scheme created by hotels. These agreements with the companies mainly come in the form of discounted prices of services and for the individual business traveller, the frequency of visits and length of stay in the hotel entitles them to special services. As mentioned in chapter four, another form of loyalty scheme provided by hotel to their guest are the membership cards. The cards create the ground for the development of loyalty by encouraging repeat visits.

It is worth pointing out that, though hotel services are standardised in most cases, where a hotel owner or manager might have considerable information about the needs of each of its customers, based on regular personal contact, special services could be offered to them upon request. By contrast, the managers of large multi-outlet chains must develop more formal structures and processes for handling information if they are to be able to understand and satisfy their customers' needs

better than their competitors. This was seen in the case of Hotel Gothia Towers, Radisson SAS, Hotel Scandic Europa, which are part of a chain.

#### **5.4 Generating business travel and tourism**

The basic element which stimulates business tourism in a destination is the business environment existing there. There would be no business travelers in a destination lacking factors which generate industries. Due to the extent of economic multifunctionalism, most common business travel destinations are urban areas. (Pearce, 2001) When the demand for business tourism is created, urban areas have to come up with promotion strategies in this particular field. In modern planning for urban economic development, promotion of tourism has become an imperative component. (Jansen-Verbeke, 2000)

In cities, tourism reveals as one function among many, tourists are sharing with residents, and other users, spaces, services and amenities. (Pearce, 1981) The attractiveness of urban destinations comes within the variety of things to see and do in an interesting compact environment. (Karski, cited by Pearce 2001)

Göteborg is chosen by many international corporations for their north European head offices and branches due to the central Scandinavian location of the city. Together with the number of domestic companies which are present in the city,

they create a dense business environment which is full of opportunities for other industries, particularly for the hospitality industry.

In Göteborg, where business industry is on a large scale and growing, the scale of tourism is strongly influenced by the business environment, which is a pull factor for increasing the flow of business tourists to the city.

Tourism demand for a specific destination is depends on two factors: the push factor, which comes from the area of origin and the tourist himself, and the pull factor, which is generated by the destination area. The pull factor relates to the extent to which the destination draws attention of a tourist, and is crucial when attracting tourists to the destination. According to The Encyclopaedia of Tourism (2000), pull factors are divided into four types. The attractions of the place are considered to be the first, most influential pull factor, which creates the need to visit a destination. (Middleton, 2000) In terms of the business travel examined in this paper, the pull factor as mentioned earlier would be the business opportunities and business environment available in Göteborg. According to the research undertaken by distributing questionnaires among Chinese business tourists, who came to Göteborg, the main pull factor of their arrivals was "business visiting".

The second significant pull factor is defined as the amenities at the destination. These may be viewed as infrastructure, accommodation, transportation, catering services, entertainment, shopping facilities and visitor information. These elements are not the factors within decision making process for choosing a destination, however, lack of these components may result in loss of potential tourists. (Middleton, 2000) Göteborg, as described in chapter one, can supply potential business travelers with adequate facilities and services.

Accessibility stands for the third pull factor, which is present and imperative when choosing a destination. (Middleton, 2000) In terms of reaching Chinese business travelers, Göteborg is an open destination even for remote metropolis, since travelers from China can get to Göteborg from Shanghai with just one stop over. The sample of Chinese travelers included in the research, were mostly traveling by Finnair and by SAS.

The ideas and beliefs that tourists hold about toward a destination are defined as the fourth pull factor. (Middleton, 2000) Each tourist when planning a trip has an image of a destination. The level of satisfaction after experiencing a destination is dependent on the extent to which the image is relative to the reality. To sustain a good quality image as a tourism destination, Göteborg puts strong emphasis on

promotional issues. When considering business tourism in the city, the networking within business environment can be viewed as an advantage for further development of business tourism. Many companies in the city are bound to each other within a network that aims at cooperation on the grounds of business and flow of interest and people. Thanks to this networking, business travelers have an opportunity to expand their cooperation toward new business contacts. The majority in the analyzed cluster of Chinese travelers admits that they visited more companies than they intended.

## **5.5 Customer Satisfaction - The Business Traveller**

With globalisation, the business travel will continue to experience growth, therefore contributing immensely to the turnover of the tourism industry. In this regard, service providers to this market segment are adopting ways and means to satisfy their customer, hence retain them. Service quality has now become one of the main factors used to gain a competitive advantage, thus the service provider must focus more specifically on the needs and expectations of its business customers. (Callan et al, 2001)

The question then arises - how does the service provider look upon the needs and the expectations of the customer in order to meet them? How does one measure the level of satisfaction of the consumer, what are the methods of measurement?

For the purpose of the current study, some questions were raised, which could be likened to the attributes for measuring service quality, hence the satisfaction of the Chinese business traveller of the destination. These include:

1. "What were your impressions, perception of the city before you arrived?"
2. "Would you say your expectations were met during and after your visit?"
3. "How will you rate the level of satisfaction to your expectation?"
4. "Would you have wished to stay longer in the city? If yes, for how many days?"
5. "Would you like to come again to the city, why?"
6. "What did you like most in the city"?
7. "What did you particularly not like about the city?"

The first three questions attempted to understand how these business traveller perceive Göteborg, (as a business destination) before and after their visit, hence their rating of the level of satisfaction. With respect to the survey carried out with a few Chinese business travellers, it was recorded that the general level of satisfaction to their expectations of the destination was high (an average score of 4, where 1 is the lowest score and 5, the highest score.) Apart from the satisfaction

drawn from the business dealing, the Chinese' evaluation of satisfaction of Göteborg as a destination is directly dependent on the weather conditions. This is illustrated in the questionnaires, where they admit that bad weather lowers their satisfaction to 2-3 on the scale.

Considering the level of satisfaction, of different services received in the destination, the Chinese travellers were able to point out the areas of low satisfaction. According to the questionnaires, the city is revealed as an expensive one, the hotel rooms seem too small, and the Chinese restaurants do not serve authentic Chinese food. Because the business traveller requires the basic services mainly food and accommodation, the information above illustrates the weaknesses in satisfying their needs.

It must, however, be pointed out that the questions were defined in a way requiring general, short answers, therefore the answers could not serve to draw a detailed evaluation of the quality service providers. (Hotel services, business encounters, other hospitality services).

The last three questions try to examine the general satisfaction features, which Chinese business travellers acquire during their stay in Göteborg. Interviewees

used expressions like, “safe, clean, comfortable and relaxed” to describe the general image of the destination. Another area of satisfaction pointed out by the Chinese travellers was the human factor in their service encounter. According to the answers, what they liked most about the city, were the people. Others also described the people as friendly and nice. Considering the length of their stay in the destination, the average answers were stating that it was too short, and they would like to stay longer, between three to seven days. Again, this decision is on condition of good weather. Considering the willingness of Chinese people to repeat their visit in Göteborg, the general answer was positive, with the indication to have more business and also to see the beautiful summer season in the city, as tourists.

To obtain accurate evaluation of a destination, a distinction should be made between the different service providers to the business traveller. An impression of one service encounter could influence the overall service quality and satisfaction of the business traveller.

Moreover, the method of measuring service quality was not implemented in the survey questionnaire to understand the perceptual processes involved in a consumer’s evaluation of quality. As pointed out by Callan et al. (2001), this

aspect of measuring service quality lacks empirical research. He therefore discussed issues relating to the perceived importance of hotel attributes to the business traveller, thus, the important hotel attributes identified by the business travellers. Drawing on the above, further research could be carried out to understand how a target market, (the Chinese business traveller), evaluate different attributes that are essential to them at a particular destination as far as their travel motives are concerned. One may further assess their perception of service quality at the time of the purchase decision, (encounter) that may better explain their repeat buying behaviour, rather than the traditional measure taken immediately post-consumption.

## **5.6 The significance of Chinese business travel market to the tourism and hospitality industry.**

In regards to further development of the travel relations between China and Göteborg, the grounds existing should be analyzed. Coming out of the information collected, the city of Göteborg has taken steps to establish business relations with China, particularly with Shanghai. The role of the sister city agreement between Göteborg and Shanghai, brings many opportunities for both destinations, in terms of business. This agreement opens more doors for future flow of business tourists between both cities.

As pointed out in Chapter 1, the new project of Ostindiska Companiet has aroused the interest among Chinese citizens toward Goteborg, which may also be understood as a new possibility for enhancing ties between the two destinations. Awareness of Göteborg is being created among potential Chinese travellers which will eventually result in the increase in their interest to travel to the city. The possibilities for business relations open wide avenues for future growth in business travel and tourism in Göteborg.

The relations described above, together with the possibilities that Chinese citizens were given by their government in regards to their travelling abroad, creates the future prospects for travel of the Chinese businessman to Göteborg. *How then does the tourism and hospitality industry gain from this situation?* From the survey conducted among the Chinese travellers coming to Göteborg, information about the main cities of their origin reveals, that they primary come from: Shanghai, Beijing, Zhejiang, Jiangsu, Guangdong, Hebei, Hunan, Shandong. This information may serve as an illustration of the source regions of Chinese business travellers which could be useful in selecting new business targets in the Chinese market. Analyzing the background and the professions of Chinese travellers, the questionnaire provides possible positions: central government

ministries/organizations, local municipal government, state owned companies, private companies.

As mentioned earlier, the agreements kept between the cities, directly influences the awareness of the city of Göteborg in China. This may also be found in the questionnaires, where the travellers admit that their knowledge about Göteborg was the result of the following activities: sister city relations, Sweden Goes to China activities, business contact.

From the hospitality industry's point of view, the length of stay of the potential Chinese travellers is of crucial importance. This information indicates the time issue, which should also be taken into consideration when creating service packages for business travellers. The average number of days spent by the Chinese business travellers is normally two days but as mentioned before, there are possibilities to keep them longer and the question is what could be done, by the industry, to extend their period of stay in the city? Another issue of interest is repeat visits. From the interviewed cluster of Chinese travellers, the general opinion revealed regarding their visit to Göteborg, was that it was their first time in the city. How then could they be encouraged to visit again?

Other information acquired during the research concerns the period of the year which is a high season for Chinese travellers. From interviewing the companies and the questionnaire received from the travel agency, one can see that spring and summer are the peak season for Chinese travel. This information may be very helpful for the hospitality industry in regards to identifying the period of low hotel occupancy for business travellers, and for that matter for creating adequate niche market.

Drawing on the travel behaviour presented in Chapter 1, the business travel pattern may now be conducted. The first observation would be means of travel, which is mainly carried out with the help of travel agencies - China travel, Lotus, China gateway and in regards to airlines by SAS, KLM, Finnair, and Air France. This information could be important with regards to the kind of package that could be offered to the target group in order to develop loyalty amongst them. Another area of interest is the type of accommodation. The kind of accommodation used by the Chinese travellers is directly dependent on the companies they are visiting. Since the companies carry annual agreements with different hotels in the city, the travellers are being lodged in those listed hotels. Considering individual travellers, the most popular hotels among Chinese travellers would be: Hotel Radisson SAS Scandinavia, Scandic Hotel, Quality Hotel, Hotel Opera, and Hotel Victoria.

In a nutshell, Chinese business travel market has great potential for growth in the near future. And if this phenomenon is well understood by the tourism and hospitality industry, in terms of the behavioural pattern of the Chinese business travellers, their needs and expectations of a destination, then the industry will benefit immensely, as it strategically satisfies the needs of this target market.

Analysing the Chinese business travel to Göteborg, certain issues were exposed. The next chapter will attempt to come up with some laudable recommendations in this regard.



## **6 RECOMMENDATIONS AND CONCLUSIONS**

As widely discussed in Chapter five of this paper, the initiative to generate business travel and tourism, lies within the business environment existing at a destination. To enhance the business travel in a particular destination, there is a need for collaboration among the various actors involved. With reference to Göteborg, one can observe that there are adequate structures for this kind of collaboration existing, like Telematics Valley and organizations like Business Region Göteborg. However, as analyzed previously, certain areas in this collaboration could be improved. The networking among the companies could enhance the appeal of the destination for the business travellers. Therefore, the flow of tourists from one company to another would be simplified and easily accessible. As a result, the business travellers - potential customers, could have the chance to be introduced to a greater number of business representatives in the city,

With regards to Chinese business travellers to Göteborg, the networking structure among the business industry, could serve as a package tour useful for say, the Chinese travel agencies, to their clients. The most visited companies in Göteborg could serve as tools to promote the business image of the city to the market segment, hence the great appeal generated in them to visit and even stay longer in the city.

Business travel and tourism as, discussed in chapter one, contributes immensely to the hospitality industry. For that matter, a strategic approach needs to be undertaken in order to meet the hospitality demand created by business travellers. In this regard, it was identified in the research conducted for the course of this thesis, that there is a lean season in hotel occupancy rate in interviewed hotels. In respect to the Chinese market, as a target, a correlation between those two may be drawn. The low occupancy rate, for business tourists, is observed in January, February and during summer months. Whereas the Chinese travel is concentrated during the official Chinese holidays periods - the Spring Festival (Chinese New Year) in January and February, The May Holiday. In this respect, a market segment could be developed to fill the gap during the lean seasons in the hospitality industries. More trips could be arranged at that time, and packages offered to these target markets. To pave the way, the hospitality industry needs to understand the needs and expectations of the Chinese business travellers. Thus, in order to explore the outbound tourism market of China, it is necessary to understand the distinguishing features of the Chinese business consumer and the characteristics and differences of the three major generating regions – Beijing, Shanghai and Guangzhou. This is important since research shows that there is a growing demand from Chinese business traveller, for the services of this

hospitality industry. Referring to the charts (*see appendix F*) illustrating the number of tourists coming to Ostindiska Companiet, a general conclusion may be drawn that there is a growing trend in the arrivals of the Chinese business travellers to Göteborg. One could also observe in the charts that, in 2003, the numbers of Chinese visits could have been more impressive if it had not been the out break of SARS between the months of June and August.

China is a country with great tourism potential. As the country has been recently opened to the world, the Chinese are eager to travel abroad. Together with the growing economy, Chinese will look for new business opportunities and relations outside their home country. And because Sweden has a long history in trade relations with China, an open page for renewing this cooperation is being created.

A propos Swedish – Chinese trade history, as discussed in chapter 1, and the increasing awareness of the city of Göteborg amongst the Chinese (as a result of the project of East Indiaman Götheborg), a fertile ground is laid, as a foundation for future trade and other business relations between the two countries.

On this note, and regarding hospitality industry, the Chinese travellers are specific customers. Because of their allegiance to their tradition and culture, they are not as easy to approach as modern European customers. Their eating habits, behavioural patterns need to be understood and met in order to acquire customer satisfaction,

and hence, building loyalty. Among many suggestions, the Chinese consulate recommended that “Chinese restaurants should serve real Chinese food - invite some good chefs from China”. With such information, the customers’ needs could be met.

Since business tourism income encapsulates the contributions from meetings and conferences, incentive travel, and the general business travel, (as mentioned in chapter two), and in relation to the research undertaken with the Chinese business travel market, it is easy to assume that the business traveller could open the door for the other segments of the business tourism sector. Göteborg, having the advantage of its location, well equipped with facilities for holding all forms of meetings and conferences, and other tourist packages, (as point out in chapter 1) has a lot to offer for business tourism. As illustrated in the different categories of business travellers as the model shows in chapter five, the “politicians” (the Chinese business traveller) for instance, would have great influence on decisions concerning the choice of a destination to hold meetings and conferences outside its home country. Further more the Chinese business traveller (individual), could also use the visit to tour the city, as an incentive or reward to their employees. This creates the prospect for the tourism and hospitality industry to gain more in terms of awareness, consequently gain customer loyalty amongst the target group. In

light of these benefits to the tourism and hospitality industry, a strategic approach could be taken by city planners - Göteborg & Co. / Göteborg Convention Bureau, to work in partnership with the networking organisations in the affairs of business (for example BRG / Swedish Chamber of Commerce) to enrich the experience of business travellers to the destination. And the hospitality industry, for that matter, the hotels need to follow the trend of business in order to identify new markets and other opportunities for the growth in their business.

A laudable recommendation that could be considered for implementation by the City of Göteborg is to set up an organization or department, within its structures to handle issues specifically relating to caring for the needs of the business travellers in terms of tourism and hospitality. In this regard, companies receiving business guests from different parts of the world would then assign their guest to this department, who would then provide specialized services to these guests.

To wrap up, *business travellers and Göteborg, as a business destination*, provides different approaches on how to look at the types of guests to the destination, and what the destination could offer them with regards to their needs and expectations as service providers, in order to gain satisfaction, hence loyal customers. The Chinese business traveller, as the case in this research, has unique behavioural

patterns in terms of business travel and hospitality issues. Service providers understanding these special features could create a new market to fill the gap in their business.

### **6.1 For Further Research:**

Understand how the Chinese business travellers evaluate different attributes of Göteborg as a business destination, and assess their perception of service quality at the time of their service encounter, that may better explain their repeat buying behaviour.

## 7 References

Ashworth G. (1989). *Urban Tourism: An imbalance in attention*. In Cooper, C.P. (Ed.), *Progress in Tourism, recreation, and hospitality management*, Vol.1. London: Belhaven.

Beioley S. (1991). *British Tourism*. English Tourist Board July: B7-B16.

Bradley A., Hall T., Harrison M. (2002), Selling Cities. Promoting New Images for Meetings Tourism. *Cities*, Vol.19 No.1. UK: Elsevier Science.

Bramwell B. (1998). User satisfaction and product development in urban tourism. *Tourism Management*, Vol.19 No.1. UK: Elsevier Science.

Buckley, N. (1996). Grocery profit margins in decline. *The Financial Times*, 8th January, pp. 5.

Cleland D.I. (1999). *Project Management. Strategic Design and Implementation*, Third Edition, McGraw-Hill, New York.

Cleverdon R. (1985). *International Business Travel - a New Mega Market, Special Report 189*. London: Economist Intelligence Unit Publication.

Cleverdon R., O'Brien K. (1988). *International Business Travel*. Special Report No.1140. London: Economic Intelligence Unit.

Cleverdon, R., O'Brien, K. (1988). *International Business Travel 1988*. London: Economist intelligence Unit.

Cook R.A., Yale L.J., Marqua J.J. (2002). *Tourism, The business of Travel*. Second Edition. New Jersey: Pearson Education, Inc., Upper Saddle River.

Douglas G. Pearce (2001). An integrative framework for Urban Tourism Research. *Annals of Tourism Research*, Vol.28, No.4.

Edited by Brent J.R., Ritchie, Goeldner C.R. (2003). *Travel Tourism and Hospitality Research. A handbook for managers and researchers*. Second Edition. (Concepts, Definitions, and Measures used in Travel and tourism research, Contributed by Robin Chadwick)

Flagestad A. (2001). *Strategic Success and Organizational Structure in Winter Sports Destinations. A multiple stakeholder approach to measuring organisational*

*performance in Scandinavian and Swiss case studies.* University of Bradford, European Tourism Research Institute.

Göteborg Convention Bureau's brochure (2001). *A taste of Göteborg. Destination planning guide.* Göteborg: Göteborg Convention Bureau.

Hamilton, R., Howcroft, B. (1995). A Practical Approach to Maximising Customer Retention in the Credit Card Industry. *Journal of Marketing Management*, Vol.11, pp. 151-165.

Hampton A. (1989). *Business Travel in Tourism Marketing and Management Handbook.* Witt SF, Moutinho L. (eds.). London: Prentice Hall.

Harding M. (1993). The draught in the five star won't blow luxury away. *The Daily telegraph-Business Travel* 16 Nov: 15.

Jafari J.Chief Editor (2000). *Encyclopaedia of Tourism*, London: Routledge. (Business Travel, page 63. Contributed by Robin J.B Ritchie, University of British Columbia, Canada).

Jansen-Verbeke M. (2000). *Urban Tourism Encyclopaedia of Tourism.* Chief Editor Jafari J., London: Routledge.

Karlsen J.T. (2002). Project Stakeholder Management. Norwegian School of Management BI, *Engineering Management of Journal*, vol. 14 No. 4.

Karski, A. (1990). *Urban Tourism: A key to Urban Regeneration.* The Planner, (April 6).

Knowles, T. (1996). *Corporate Strategy for Hospitality.* England: Longman.

Larson M. (2002). A Political Approach to Relationship Marketing: Case Study of the Stosjöyrán Festival. *International Journal of Tourism Research*, 4(2): 119-143.

Law, CM, (1996). *An Introduction.* In Law, CM, (Ed.), *Tourism in major cities.* London: International Thomson Business Press.

Margarella F.J. (2003). *Relation marketing. The elements of marketing and how to use them to your club's benefit.* PRIMEDIA Business Magazines and Media, Inc., 2003. ([www.clubindustry.com](http://www.clubindustry.com), 20.11.2003).

Morgan N.J., Pritchard A., Piggott R. (2003). *Destination branding and the role of the stakeholders: the case of New Zealand.* *Journal of Vacation Marketing*, Vol. 9 No 3. Wales, UK.

Moser C.A., Kalton G. (1979). *Survey Methods in Social Investigation*. 2<sup>nd</sup> ed. Heinemann Educational Books: Oxford.

O'Brien, L., Jones, C. (1995). *Do Rewards Really Create Loyalty*. Harvard Business Review, May-June, pp. 75-82.

Oppenheim A.N. (1992). *Questionnaire Design. Interviewing and Attitude Measurement.*, 2<sup>nd</sup> ed. London: Printer Publishers.

Recklies D. (2001) *Stakeholder Management*, Themanager.org. (<http://www.themanager.org/resources/Stakeholder%20Management.htm>, 07.11.2003)

Reichheld F.F., Sasser W.E. (1990). *Zero Defections*. Harvard Business Review, Vol.68 No.5, pp. 105-11.

Rogerson C.M. (2002) *Urban Tourism in Developing World: the case of Johannesburg*. *Development Southern Africa*, Vol. 19 No 1.

Salent P., Dillman D.A. (1994). *How to conduct your own survey*. New York: Wiley.

Sandavan E.J., Schalekamp A.B. (1988). *Business Travel Monitor-an application to CATI*. Seminar on Travel and Tourism Research: Anticipating and Responding to Change. Nicosia (Cyprus), 4-7, May.

SOIC's brochure (2001) *East Indiaman Götheborg. A maritime voyage trough the history into the future*. Göteborg: SOIC.

Weaver P.A., Oh H.C. (1993). Do American business travellers have different hotel service requirements? *International Journal of Contemporary Hospitality Management* 5(3): 16-21.

Weaver PA, McCleary KW. (1991). Basics bring'em back. *Hotel and Motel Management*. 206(11).

Wootton G., Stevens T. (1995). Business Tourism: a study of the market for hotel-based meetings and its contribution to Wales' tourism. *Tourism Management*, Vol.16 No.4, UK.

Yläranta M. (1999). *Strategic management in knowledge intensive organizations – value of the stakeholder approach*. Publications of the School of Economics and Business Administration, 1:1999. Series Discussion and Working Papers.

<http://www.businessregion.se>, 05.10.2003  
<http://www.goteborg.com>, 05.11.2003  
<http://www.goteborg.se>, 06.11.2003  
<http://www.gothiatowers.se>, 21.11.2003  
[http://www.skf.com/portal/skf\\_se/](http://www.skf.com/portal/skf_se/), 15.10.2003  
<http://www.scandic.se>, 17.11.2003  
<http://www.soic.se>, 28.10.2003  
<http://www.telematicsvalley.org/>, 02.12.2003  
<http://www.volvo.com/group/global/engb/Volvo+Group/history/volvosfounders/1>  
1.11.2003.  
<http://www.volvo.com/group/global/en-gb/Volvo+Group/>, 11.11.2003”.  
<http://www.volvo.com>, 11.11.2003  
<http://www.world-tourism.org>, 16.10.2003

# 8 Appendixes

## Appendix A: Reports from interviews with some major companies in Göteborg

### 1. Business Region Göteborg (BRG)

#### *Profile*

Business Region Göteborg is a company founded with the aim of promoting and developing trade and industry in the Göteborg Region. The company has established relations with the big industry leaders of the region, Volvo, Saab, SKF, Hasselblad Ericsson, Nobel Biocare etc. in order to enhance the network of contacts for Göteborg business environment. It also attempts to establish relations within universities and different educational and science institutions in Göteborg. It also provides help to all the minor companies that wish to enter the market.

In order to facilitate corporation within the global network, BRG has established a number of international relations with certain cities and these include:

- Shanghai, China
- Port Elizabeth, South Africa
- Oslo, Norway
- Michigan, USA
- California, USA
- Kanagawa, Japan
- Lyon, France
- Leeds, UK

The company has a system of working within the scheme of 12 clusters, which are specific sectors of different fields of profession, for instance the finance sector, medical industry, automobile industry. The relationship that the company has developed with the cooperative cities is usually based on one or two of these clusters. However there are three cities that BRG has developed a multi clustered basis of cooperation and has very strong relations with. These cities are Shanghai, China, Oslo, Norway, and Port Elizabeth, South Africa.

#### *BRG and Shanghai (China)*

The idea of establishing a relationship between Göteborg and Shanghai started on a personal basis which was later made official by the government of the two cities, Göteborg and Shanghai. This was in 1986 and until now many different agreements within all fields of cooperation were signed. This also brought many opportunities for both cities to visit one another and to explore the business prospects of both regions. Many delegations made of politicians, business people, science representatives and individuals with special interest met and ideas were exchanged.

In 1999 there was a big event held in China. Over 750 people from Sweden went to Shanghai to participate in Swedish Week in Shanghai. 'Sweden goes to China' was a big venture for creating new and strengthening the old contacts for the long term and encouraging positive development of business relations of all kinds. The list of participating organizations and companies at that time is very impressive and comprises all the biggest companies of the region and in Sweden as a whole.

The main purpose of all the cooperative activities mentioned above is to develop a good environment and a platform for more business relations between the two cities. Along with business issues, there are also the exchanges of experience in many different areas like environmental issues, infrastructural developments, city planning and many more.

In order to receive proper knowledge on the issue of Chinese visitors coming to Göteborg, we provided the BRG Company with adequate questionnaire.

In the discussion that ensued from the question about the categorization of Chinese delegations coming to Göteborg, we may note that the main distinction that the company keeps in order to manage these potential quests is based on the status of their profession. These are mainly politicians and businessman. Based on this categorization we identified that the main difference in how those two groups are managed is based on the financial issues. Coming further, the politicians and city authorities involved in the cooperation process between the cities are being sponsored by the host city. The sponsorship includes the accommodation, transportation, food, entertainment. The business delegations are providing their own funds for the cost of their stay in the city. However, they are being offered the adequate help from travel agency in China and also the Chinese Consulate in Göteborg in order to organize their trips and manage their stay. Their accommodation is normally organized by the travel agents before they arrive in the city, sometimes arranged by the company which invites them over.

Most of the preparations for the Chinese delegations coming to visit the city are made on ad hoc basis by BRG. The company has an annual agreement with a certain hotel, to be provided with the hospitality services. In 2003 the hotel chosen is Hotel Gothia Towers.

BRG is partly owned by the city of Göteborg and as a result, they therefore receive certain assistance in terms of taking care of their guests from other countries to the city. This assistance comes in the form of free or discounted services in the area of tourism and hospitality. For instance, in terms of organizing entertainment for the Chinese delegations, they might get free tickets to the Liseberg Amusement Park or at a discount.

From our discussion with BRG we concluded that the company invites the delegations to the city but is not directly involved in all the issues surrounded with their stay, in terms of their travel expenses and other expenses incurred during their stay. The major focus that the company keeps is the top politicians from sister city Shanghai. The relationship between BRG and Shanghai is kept on the governmental level. The purpose, however, is to create an environment for many different business relations to grow between the two cities.

## **2. China Forum**

A similar interview was held with Sture P. who is a member of the China forum and also the former Managing Director of the Chamber of Commerce in Göteborg. He also works on projects related to the special agreement between the two cities and other sister cities.

From the outcome of the discussion, we ascertained comprised delegations from China to Göteborg are a mixture of Politicians and Business groups made of state owned companies. These delegations most of the time comes for business tours and sometimes come for special meetings with different companies. To understand how business trips are organized from China to Göteborg, Sture mentioned that the planning of their visit is done by the delegations themselves; they receive assistance from the companies which gives them the invitation to the city. Very often the Göteborg city and the big companies in Göteborg provide invitation to these delegations. The Chamber of Commerce, he stated also plays a vital role in this respect.

Chinese travel agencies normally arrange travel for these delegations; assist in their flights, accommodation and other tourist packages. They do this before the delegations arrive at the destination. They arrange travel through Air China or Fin Air from Beijing. Their travel expenses (accommodation, transportation, food etc) are normally taken care of by the delegations themselves, except for situations where the host company decides to take them out for dinner or offers some tourist package (entertainment). Also for top politicians from Shanghai, most of the time the Göteborg & Co., foot their travel expenses and other expenses incurred during their stay.

The average length of their stay in the city ranges from 2 to 3days and not more than a week. In most cases these delegations take a tour in certain countries of Europe or the whole of Scandinavia. And the cities visited most are Helsinki, Denmark, Oslo, Stockholm and Göteborg. In this situation, the period of stay in one city becomes shorter, since they have limited time. In this case not much is done in terms of tourism, but strictly business tours or meeting.

During their stay in the city, different activities are organized for them, mainly visits to the big companies in Göteborg. These include Volvo, SKF, Hasselblad, Telematics and a special tourist attraction-the East Indiaman Company. A special visit is always arranged for them to meet the consulate general of China to Göteborg.

### ***Brief History and Profile of China Forum***

The China Forum is a volunteer, non-profit organization founded in 1996 in order to develop foreign trade and economic/ technological cooperation between China and Sweden. The Forum works to stimulate, coordinate, and support the ties between these two countries.

The Forum works to promote mutually beneficial bilateral activities on two fronts:

In China, the Forum actively promotes West Sweden and the Swedish market, works to increase general understanding and awareness of Sweden, and helps sharpen the image and competitive edge of Swedish businesses in China.

In Sweden, the Forum provides information to Swedish companies and organizations about China and the opportunities present in the Chinese market. It also works to promote, coordinate, and assist China's trade and economic activities in West Sweden.

In addition, the Forum is active in supporting knowledge exchange and contact between universities and educational institutions in the respective countries.

### **3. Svenska Ostindiska Companiet (SOIC)**

#### ***History and profile:***

This company, also known as the Swedish East India Company, was formed in December, 1993 with the aim of administering, using and further developing the shipyard, shipbuilding, exhibition and shipping activities encompassed by the East Indiaman Göteborg project (*A maritime voyage through history into the future*). The project is building a replica of the East India Göteborg, which sunk as it headed into its home harbour in the year 1745. For nine years this unique project has been underway at the harbour entrance to the city of Göteborg. The project's vision is to *Foster an interest in Swedish history and promote international culture exchanges and to function as a platform for Swedish companies in international and national marketing and trade*. (Source: [www.soic.se](http://www.soic.se), SOIC's brochure (2001) *East Indiaman Göteborg. A maritime voyage through the history into the future*. Göteborg, SOIC).

The vessel is being built as closely as possible to the original, and using the same handicraft techniques used during the 1700's. On June 6<sup>th</sup>, 2003 the ship was launched and the King and Queen of Sweden performed its christening. Göteborg will set sail in the autumn of 2004, towards Kanton in China. During the two-year voyage, Swedish business life and culture will be presented in exhibitions in the ports along the way. (Source: [www.soic.se](http://www.soic.se), SOIC's brochure (2001) *East Indiaman Göteborg. A maritime voyage through the history into the future*. Göteborg, SOIC).

The shipyard is also a popular tourist attraction with an exhibition hall and guided tours. As stated "It is a unique project which opens door to China for trade and business in West Sweden", thus attracting attention in China.

For this reason, further investigation was made to understand the collaboration and relationship this company has with other business groups in Göteborg in order to establish develop and build an attractive business and hospitality image to the target market, for that matter Chinese businessman. And what roles they play in the area of tourism and hospitality to these businessmen. This information was obtained through personal interviews with the respondents responsible for business development in China and also the person responsible for hospitality in the company.

### ***Outcome of Interview/Discussion:***

#### **SOIC today:**

During the building of the replica, SOIC re-established its contact with China and the Chinese market. SOIC aims to be the meeting place for the Swedish and foreign, especially Chinese, markets. The ship East Indiaman Götheborg is the main product of SOIC but the company offers also conference and meeting facilities. The thought behind it is to create a business place for national and international meetings. The company therefore cooperates with other tourism and business organizations in Göteborg, especially with Business Region Göteborg and with the Göteborg & Company.

SOIC's categorizes its visitors into three types: 1.VIPs, 2.business tourists / businessmen, 3.tourist visitors / tourists

SOIC receives delegations from China, approximately once a week. These are mainly business tourists visiting different companies in Göteborg. The average time of their stay is 1-2 hours. If the delegations decide to have a diner at SOIC's facilities their stay extends to about 3-5 hours.

The big issue now is: how to attract those tourists to stay longer.

SOIC doesn't take part in organizing their visitors stay in the city; Gbg&Co. does it, Business Region Göteborg, different companies like Volvo. SOIC cooperates also with different hotels in the city, for example Gothia Towers and Quality Hotel located near the company on Eriksberg.

SOIC's pre-marketing is not developed yet. The future visitors contact the company, not the opposite. Very often, a company in Göteborg, that invites business visitors contacts SOIC, not the opposite. Pre-marketing is the next step for the company.

Another SOIC's aim is to be helpful to smaller companies or private enterprises both in Göteborg and Sweden to create contacts in China and in other countries. SOIC's intention is to build a network between companies in Sweden and in other countries, especially in China. The replica of the ship is also a step in rebuilding the cooperation. SOIC has also very good contacts with the ministry in China.

#### ***How is SOIC trying to attract China?***

SOIC is in constant contact with a ministry in China and has cooperation with travel agencies there. In the company there are three people that cooperate with the Chinese market and maintain the contact with the travel agencies.

SOIC also cooperates with the Chinese council in Göteborg that helps to hold contact with China. The company itself has two-three Chinese-speaking people.

SOIC created awareness of the company and of the replica of the ship in China. Chinese people are very interested in East Indiaman Götheborg and follow steps of the project. The launching of the ship was viewed by 3 million people in China on the national television. Many Chinese also wanted to come to Göteborg to see the event live, but they were stopped by SARS. Many are planning to come next year to witness the departure of East Indiaman.

SOIC packages for groups of business visitors:

- The visit starts by serving a kind of a punch that was commonly drunk in 18<sup>th</sup> century on board of the original ship.

- The round trip of the ship-yard, all the staff members are dressed as in the 18<sup>th</sup> century
- The trip ends with going on board of the ship

This is not the final version of our reports; other companies will also be contacted including the Göteborg city, the Chamber of Commerce and the Consulate General of China to Göteborg. These will help us to understand better the import of our questionnaire and also to contact some delegations who have been to this city.

Unfortunately, none of the companies interviewed have records of Chinese delegations that have been here and for those who have, are not so willing to provide this information to us, since it is treated as confidential. But we hope to get some feedback from East Indiaman and BRG on this issue as they have to discuss with other top management.

## 4. Volvo Trucks International

### Interview in Volvo Trucks International, Göteborg, 10.11.2003

#### *History of the company and its relation to China*

On May 11, 1915 AB Volvo submitted an application to have the trademark 'Volvo'. On July 25, 1924 Gustaf Larson and Assar Gabrielsson (who were employed at SKF Göteborg, before founding Volvo) met by chance and agreed to start up production of 'The Swedish Car'.

Formally, Volvo considers April 14, 1927 as being the date when the company was born. Founded in 1927, Volvo today has approx 72,000 employees, production in 25 countries and operates on more than 185 markets. The Volvo Group's net sales 2002 amounted to EUR M 19,333 (<http://www.volvo.com/group/global/en-gb/Volvo+Group/history/volvosfounders/>, 11.11.2003).

Today “The Volvo Group is one of the world’s leading manufacturers of trucks, buses and construction equipment, drive systems for marine and industrial applications, aerospace components and services. The Group also provides complete solutions for financing and service. (<http://www.volvo.com/group/global/en-gb/Volvo+Group/>, 11.11.2003)”.

Volvo concern, called Volvo Group consists of 7 sections, 7 firms within one company:

1. Volvo Trucks: one of the widest range of trucks and services in the world
2. Volvo Busses: a complete range of heavy buses and coaches
3. Volvo Car Corporation: one of the leading brands producing cars
4. Volvo Construction Equipment: wheel loaders, backhole loaders, excavators, articulated haulers, motor graders, skid steer loaders and compact equipment.
5. Volvo Penta: power for leisure boats, work boats, power generating equipment, fork lifts and more.
6. Volvo Aero: aircraft engines, aviation services, space propulsion and industrial gas turbines
7. Volvo Financial Services Finance: insurance and related services

Source: [www.volvo.com](http://www.volvo.com), 11.11.2003

Volvo has been cooperating with China for over 20 years. That target market is a very important outbound purchaser for the company. Rose-Marie Kallas, marketing assistant, has been working with China market since 1992.

In the late 80's office in Beijing, which is the main Volvo office in China, was opened. There are about 50-70 people working in it. Then within years Volvo established another office, in Shanghai.

In 2003 Volvo settled an agreement 'joint venture' with a company "China National", which is a big corporation producing trucks in China. Since 1993 Volvo Truck International has been working on the agreement. During that time many delegations were visiting the company in Göteborg, especially Chinese authorities, even of highest rank.

There are three kinds of business delegations from China: 1. groups that come strictly for business, willing to purchase cars/trucks from Volvo -customers, 2. public authorities coming in terms of getting to know the company, 3. groups not business related, willing to visit Volvo as an attraction.

Most of the visitors from China are customers, people from governmental authorities

It's not important how many trucks a customer is planning to purchase. The hospitality is still the same. Delegations coming to Volvo are mostly focused on visiting different countries and places, not on business, even if they're businessmen. Chinese delegations come not only into Volvo Trucks, but also to Volvo AB, to Volvo Penta, to Volvo demo centre etc. Sometimes the trip is to encourage business between Volvo and some company in different place in the world

According to Rose -Marie Kallas Volvo visitors can be categorized as follows: 1. Customers, 2. public authorities, 3. other groups of interest, not business related.

According to Peter Runhagen there are 2 categories of a businessman coming to Volvo: 1. authority people, 2. customers

Rose-Marie Kallas is responsible for the delegations of customers from China. Peter Runhagen divided customer delegation into two groups:

1. Customers that Volvo invites from China to start or sustain cooperation and business,
2. Customers, that contact Volvo themselves in terms of visiting the factory and doing business.

The actors involved in the organizing of the delegations' trips are the travel agency in China, the Volvo office in Beijing, Rose-Marie Kallas and Lars Björkstrand in the office in Göteborg.

The delegations contact the travel agency in China which organises the whole visit to Göteborg. Volvo just pays the bill.

The office in Göteborg doesn't send out the invitation. Volvo office in Beijing takes care of this. Sometimes Rose-Marie organizes additional attractions for some delegations of customers.

Lars Björkstrand takes care of all the delegations, not only the customers, he deals also with delegations that have no interest in doing business with Volvo.

Volvo always pays for the business delegation's visit. The travel agency in China sends the bill to Volvo. All the delegation's stay expenditures are then included in the price of trucks and the delegations are aware of that fact.

If the delegations are the groups of different interest than business with Volvo, then they cover their travelling and lodging expenses themselves.

Volvo tries to understand Chinese culture, customs and behaviour. To meet Chinese businessmen needs, Volvo usually organizes dinners in Chinese restaurants.

During a Chinese delegation's stay, Volvo provides delegations with the round tour at the factory.

Chinese businessmen always visit SOIC shipyard, where the East Indiaman Göthenburg ship is being built.

The stay of a delegations at Volvo varies between 1-5 days. The average stay of delegations between 1994-1999 was 4-5 days.

Now, 2003, there will be no more business delegations until Christmas. Last delegation was in Volvo at the beginning of October 2003, 5 people, 2 days.

Normally there is about 250 Chinese visitors coming to Volvo, in 2003 there were only 80 because of SARS. This autumn, 2003 there were 6-7 Chinese delegations

Delegations vary between 5-50 people.

Business Region Göteborg's cooperation with Shanghai seemed to be helpful for Volvo, but according to Peter Runhagen this cooperation doesn't matter to the company. Maybe BRG is helping in creating the awareness of Sweden, Göteborg and Volvo company in China, but not in doing businesses.

Volvo has agreements with hotels in Göteborg: mostly with the Scandic chain: Scandic Rubinen, Scandic Europa and also with Elite Plaza, not with Gothia Towers.

Volvo has also a close cooperation with SOIC, all the Chinese delegations visit the ship East Indiaman Göthenburg.

To meet Chinese businessmen's needs, there is a Chinese speaking guide, providing the guests with round tours at the Volvo factory. Also the company organizes dinners and lunches at Chinese not European restaurants.

Volvo is in still contact with the Chinese Consulate in Göteborg. 2-3 times a year the Consulate contact Volvo in terms of organizing a round trip at the factory for Chinese authorities.

### ***Statistics:***

What is the trend of business visits from China over the period of 5years? (1997- date)

There were many Chinese delegations in Volvo between the summer 1994 and 1999. Principally there were Chinese authorities even delegations from ministries, and now most of them are customers.

In the next few years there will be an explosion of Chinese people travelling, coming to Europe, to Sweden, to Göteborg. Lars claimed that the number of the delegations will be increasing, but not for the business delegations, but for the other than business people.

But, there will be less customers' delegations coming from China, since the factory there is established and the production start is planned for the beginning in December 2003.

## 5. Telematics Valley

### Interview with the Executive Director, Tomas Gabinus - 11.11.2003

#### *The history of the company*

In 2001, Telematics Valley was founded in Göteborg, as a forum for regional networking and communication, and a platform for global promotion in West Sweden as a unique cluster of telematics expertise.

Telematics refers to vehicle services which relies on a wireless communication link and often includes a positioning system. 60 companies are members and approximately 1000 people work with or do research in telematics in Western Sweden.

“There is great respect for Scandinavian competence within the mobility and telematics” said Rikard Bergsten, Head of Telematics at EDS in Göteborg. (Source...) It is believed that Göteborg Region’s good position in the telematics area has a great deal to do with the presence of Volvo, Saab, Telia and Ericsson. The reputation of Sweden being an IT nation is spreading around the world, and China is not left out. The increasing awareness in China resulted in a Chinese TV-team recent visit to Sweden to produce six shows on the subject of IT in Sweden. And in Göteborg, the Digital Globe Show” visited, among others Wireless Car, a telematics company that delivers system for mobile services to the automotive industry. Wireless Car is one of the founding companies of Telematics Valley.

Telematics has been operating for almost two years now. First annual report of the company was issued after 2002.

The company has 54 members, companies from the whole world.

Telematics Valley is a form of a network for the companies wanted to cooperate in the Telematics projects and implementing them to their own products.

The aim is to formally invite appropriate companies to the project, that the company is doing.

#### Chinese business tourists in Telematics valley

Chinese delegations come to the company approx. once a week. They usually stay 2 days and the number of delegates varies between 2 and 50.

Telematics offers a presentation of the company to the delegates and covers the costs of it. If the delegation comes from the interesting company for Telematics, they may offer different activities or/and a meal: dinner or a lunch.

Delegations come for the invitation of Business Region Göteborg or ISA, which is a part of Swedish Foreign Ministry. They are also responsible for organizing the whole stay of visitors; especially BRG coordinates the businessmen stay in Göteborg.

ISA also provides Telematics with contacts for the coming delegations. ISA’s task is to attract more business to Sweden.

Even if BRG and ISA had the responsibility to organize trips and stays of Chinese delegations to Telematics, there is never one person in charge, which creates many problems within the “organizational net”.

Telematics categorizes their visitors as: 1.important to the company, 2.not important to the company.

Right now Telematics is not willing to take more delegations. The company wishes that the delegations would be chosen according to their importance to Göteborg and the company Telematics valley. Right now the delegations are too numerous and most of them are not interested in the company itself. Visitors are mostly focused on exploring new destinations and a visit to Telematics is just one of the tourist attractions, just like visit to SOIC or Volvo factory. Some of the delegations are also spying and then transfer the idea of the company abroad to their environments.

## **6. SKF (Interview with Lars Berntsson -SKF PR Services)**

SKF was founded in 1907 and is the leading global supplier of products, customer solutions, and services in the business of rolling bearings and seals. The SKF business is organized into five divisions; Industrial, Automotive, Electrical, Service, and Aero and Steel. Each division serves a global market, focusing on its specific customer segments.

China is one of the 80 manufacturing sites SKF has all over the world, and is also one of the 70 countries where SKF has its own sales companies, supported by some 7 000 distributors and dealers worldwide.

From the interview conducted, it was gathered that visitors to the company are categorised as customers, suppliers, politicians, schools and guests who visit on goodwill- retired men. Chinese visitors are mainly politicians, and people from the local governments. Included in this group are businessmen, who are 40% of total Chinese visitors. Most of these delegations visit for the purpose of acquainting themselves with the company, especially because of the Joint Venture SKF has with some other company in China.

With regards to the process of travel, 25% of the total delegations are normally invited by the company and the average period of stay is 1-2 days. These delegations are mainly politicians, customers and employees from affiliate companies in China. For this group, invitation is normally done by the different divisions of SKF who also takes responsibility to manage the stay of these delegations. But there are times where roles are delegated to the PR service department, who manages all visitors. The travel expenses of delegations invited by the company are paid by the company only when these delegations are of higher status and of great importance to the company.

Groups that are not invited by the company are usually taken care of by a travel agency in China. And this group foot their own travel expenses. The process of their visit (transportation, accommodation, tour package etc) is arranged prior to their arrival at the destination.

Other companies in Göteborg also send their guests (business delegations and politicians) to take a tour around SKF Company upon the request of these companies.

During the stay of these delegations, the company organizes some activities for them, aside the standard company presentations. Activities such as a tour around the city; visits to other companies like Volvo, Hasselblad, SOIC, IKEA, BRG; lunch and dinner are offered to these delegations, depending on their status and importance to the company. Some other interesting places they visit, as mentioned by Lars are the museum, the centre of the city, tour around the harbour, Börjssons- the sight seeing boat, Liseberg-depending on the weather. Most of the decisions concerning the caring these delegations are made on ad hoc basis.

Treatments given by SKF to these delegations in terms of hospitality also depend on their status. Hotels like Radisson SAS, Hotel Gothia Towers, Scandic Hotel Europa and Scandic Hotel Crown are the main contacts SKF has in providing hospitality services. Most of these hotel sign annual agreements with the company in providing services to their clients/guests.

### *Statistics*

	1997	1998	1999	2000	2001	2002	2003
Visits from China to SKF (total no.)	100	92	45	86	113	180	26
Percentage of Chinese businessmen to total visits.	2.5%	2.1%	1.2%	2.4%	3.7%	5.0%	0.7%
<i>Periods of Visits</i>	<i>Summer</i>	<i>Autumn</i>	<i>Winter</i>	<i>Spring</i>			
(in percentage)	30	19	13	38			

## **7. The Consulate General of the People's Republic of China in Göteborg**

### **Report from the interview with Cheng Zhenchuan, Consul (Economic and Commercial), 12.11.2003-11-13**

Chinese delegations come to Consulate General of the People's Republic of China in Göteborg 4-5 times every month (it's because of the big number of authorities in China. There are 31 provinces there and many ministries). Delegations to Stockholm are coming once a week. Most of the delegations are from Central or provincial governments. The delegations come mostly from the coastal line in China, from Shanghai, Beijing, from the most developed parts of the country.

Delegations come all year round excluding summer, when Swedish companies have holidays. The average stay in Göteborg of the delegates is 2-3 days. If the purpose of the stay is strictly business, the stay may extend even to 2 weeks (1-2 weeks).

The Chinese consulate categorizes their delegates as: 1.officials, 2.businessmen. If delegation members are Chinese officials, the Consulate or the Embassy in Stockholm send out the

invitations, sometimes also the companies or organizations in Göteborg invite the delegates. What organization or company sends the invitation depends on who are the delegates and what is the purpose of their visit.

High officials have to have permission to leave China from the Swedish Embassy in China.

The consulate doesn't do any pre-marketing, usually Chinese people, Chinese delegations contact the consulate in Göteborg in order to make a visit.

The Chinese travel agent Lotus organizes the stays of delegates. Lotus has its office also in Göteborg.

For the delegates Chinese Consulate organizes meetings with Volvo, Hasselblad and SKF for those delegations

Chinese delegates' most visited attractions in Göteborg are Volvo and SOIC with the East Indiaman Göthenburg project.

The Consulate has agreements with several hotels in the city. Up till last year they had an agreement with hotel Opera, now mostly with Radisson SAS Scandinavia, the agreement was signed by the Chinese Embassy in Stockholm.

The Chinese Consulate has a very close relationship with the East Indiaman project

The Consulate has also agreements with Chinese restaurants in the city. To mention few with Lai Wa and Ming.

Main interests of Chinese businessmen in Sweden are textiles-garments, high-tech and shipping. China is making also a lot of business with Volvo. There is a huge demand for Volvo trucks and cars in China.

China is also doing business with the company Koppaberg in Göteborg, the producer of Swedish cider and beer. Koppaberg exports their products to China and sells Chinese beer in Sweden.

According to Cheng Zhenchuan, the delegations' numbers are increasing. Furthermore, he stated that because of establishing the Volvo factory in China there will be more and more Chinese people coming to the Volvo factory, to Göteborg and to Sweden.

## **Appendix B: Reports from interviews with some of the hotels in Göteborg**

### **1. Hotel Liseberg Heden**

Room capacity – 179.

1. the guests fill in the Schengen form when checking in. the booking system used in the hotel – FIDELIO. There are questionnaires twice a year (winter, summer) to examine customer satisfaction. These questionnaires also provide the hotel with the knowledge on the purpose of the guests visit, their country of origin etc.
2. the main categorization consists of four groups of guests :
  - leisure
  - business
  - restaurant guests
  - conference
3. between 60 – 65 % of all guests are businessmen
4. the average period of stay is 1 – 2 nights. (usually its Tuesday, Wednesdays. Thursdays).
5. Around 1500 SEK per night, this includes room and food.
6. 70 % of the annual income of the hotel comes from business people.
7. no specific packages apart from those which come along with the agreements that the hotel has signed up with several companies from the city. However the regular guests can obtain a membership card which brings them the possibility to collect points which allows them to get free services in certain areas. Every guest in the hotel is given a free pass to Liseberg Amusement Park.
8. The main focus in those agreements is price of hospitality services.
9. The peak season for the hotel is : March – June, August – November. October and November are sometimes weak months. In terms of months that are the most difficult ones to attract guests are January and February. (for both, leisure and business groups).
10. the number of international business guests is set around 30 – 40 % of all hotel guests. Unfortunately there is no data kept on the percentage of business guests out of the above number.
11. see above
12. None but the percentage of guests from Asian destinations is around 1- 5 %. The majority comes from Japan and South Korea.
13. There are agreements signed with Volvo, SKF, Ericsson, BRG, Göteborg & Co., and few smaller companies. A big percentage of business guests in the hotel, comes as a consequence of these agreements.
14. The hotel annually signs an agreement with the companies mentioned above.
15. no
16. it's stable over the years.
17. no idea.

The hotel is focused on providing services of good quality to its customers but it does not aim to be a mass market. It's more family focused during the summer time and the weekends and business focused during the other year periods and weekdays. The numbers of business guests grows during the period of trade fairs in Svenska Mässan. Also sport and cultural events in Scandinavium, Universeum and Rondo have effect on the frequency rate.

## **2. Hotel Radisson SAS Scandinavia**

**An Interview with Susanna Johansson, Assis. Reservation Manager and Henrik Karlsson, Assis. Revenue Manager.**

Room capacity – 349.

Location – center of the city, by the railway station.

1. Guests fill in their citizenship when checking in. There are short questionnaires that guests fill in when checking out to examine customer satisfaction. These questionnaires consist of five questions each and there are four kinds of them.
2. the categorization consists of seven groups of guests, where four are most important :
  - a. business groups
  - b. business individuals
  - c. leisure groups
  - d. leisure individuals
3. 73% of all guests are businessmen
4. the average period of stay is 1.3 – 1.4 nights. (usually its Tuesday, Wednesdays, Thursdays).
5. expenditures per stay between different guests vary too much to give even average amount. (Only the prices of rooms are between 1090SEK and 15000SEK).
6. about 80% of the annual income of the hotel comes from business people.
7. no specific packages apart from those which come along with the agreements that the hotel has signed up with several companies from the city. In the agreement the number of minimum sold rooms is stated and their rates. Packages are offered to leisure tourists.
8. see above
9. The peak season for the hotel is : spring and autumn. That is the time for the boom of meetings and conventions in Göteborg. Radisson SAS Scandinavia's high and low season depends a lot on Göteborg Convention Center's activities.
10. the number of international business guests is set around 50 % of all hotel guests. Unfortunately there is no data kept on the percentage of business guests out of the above number.
11. see above
12. During the interview it has been said that Chinese business tourists are about 0,057% of all international business tourists coming to the hotel.
13. There are agreements signed with Volvo, Consulate General of the People's Republic of China in Göteborg (through the Embassy of the People's Republic of China in

Stockholm), Göteborg Convention Center and many other big and smaller companies in Göteborg. A big percentage of business guests in the hotel come as a consequence of these agreements.

14. The hotel annually signs agreements with the companies mentioned above.
15. yes, with many international companies or companies abroad
16. it's stable over the years.
17. it's hard to say, but it's true that the Chinese market is opening, although, there aren't any prospects for the explosion of Chinese visitors.

The hotel according to its location and four-star standard is mostly business tourists focused. The whole Radisson SAS chain has also agreements with airlines, mainly SAS and the whole Star Alliance group. Radisson SAS Scandinavia is partly dependent on Göteborg Convention Center's calendar and its activities. Most of the business tourists are from USA, Norway and UK.

### **3. Hotel Scandic Europa**

#### **An Interview with Ulrika Douhan, Guest Relation Manager, 25.11.200**

Room capacity – 450.

Location – center of the city, by the railway station.

1. There is a specific database for personal details of guests, already when booking. When a guest is applying for the membership card even more details are required and collected. Guests fill in their citizenship when checking in. There are questionnaires, to measure guest satisfaction, send to guests' home address after their stay in the hotel. Questionnaires consist of four pages and are in guest's home language. The rate of response is very high.
2. the categorization consists of two groups of guests:
  - a. business guests
  - b. leisure guests
3. majority of all guests are businessmen, but the statistical data are confidential
4. the usual period of stay is 1-2 nights. (Monday-Friday).
5. confidential
6. confidential
7. No specific packages apart from those which come along with the agreements that the hotel has signed up with several companies from the city.
8. All the guests have a possibility of collecting points on the Hilton HHonor Card. The more points on the card, the more exclusive services a guest will get. Packages are offered only to leisure tourists.
9. There is no low or high season; the occupancy is almost on the same level during the whole year. Low season for business guests is in the summer and the first half of January.
10. The majority of business guests are Swedish.

11. There is no data kept on the percentage of international business guests,
12. Chinese business tourists are of a very small percentage of all the hotel's guests.
13. There are agreements signed with Volvo, SKF and many other big companies in the city. Scandic Hotel Europa cooperates with Göteborg & Co. and 15 biggest hotels in Göteborg. SHE doesn't have any agreements with organizations such as Business Region Göteborg.
14. There are agreements signed with big companies. Also the Hotel cooperates with other hotels and Göteborg & Co. in terms of making Göteborg a better destination, to do something for the city.
15. yes
16. It's stable over the years.
17. It depends on companies in Göteborg and with what countries they will be doing business. The Hotel is dependent on local business actually.

The whole Scandic Hotels chain is a part of Hilton. The hotel according to its location and standard is mostly business tourists focused. But during weekends and summer the Hotel experiences explosion of leisure guests. SHE cooperates with other big hotel in the city. The flow of business tourists depends on businesses that companies in Göteborg are doing.

#### **4. Hotel Gothia Towers**

Room Capacity: 704

Location: centre of the city, by the Swedish Fairs Centre

An interview with the marketing manager (Jenny Holst) was conducted to ascertain how business travellers are treated as guest in the hotel. Unlike the other interviewed hotels, structured questionnaire was not used during the interview process.

The interview showed that the database kept for guests to the hotel is in the form of the bookings or checking in, where general information such as their origin, duration of stay are taken.

- The guests are generally grouped as business and leisure traveller. Business travel is further clustered as individuals, corporate and association.
- Business guests forms about 60% of total guests to the hotel. This is mainly because of the meetings and conferences held at Svenska Mässan.
- The average overnight stay of these guests is 1-2 days, and they normally arrive during the weekdays.
- The annual contribution of business guests is about 70% of total income generated.
- In terms of special packages to business guests, there are no special offers aside from those that are made with business companies in their annual agreement, for services provided to their guest. These normally come in the form of discounted prices and other terms of services per request. Leisure guest are normally the focus in terms of special package offers.

- The peak period for visit of business guests (apart from the time that meetings, congresses and conferences are being held at Svenska Mässan), are the spring and autumn season.
- International guest to the hotel is about 40%, the majority from the United Kingdom and the United States of America. For leisure guests, 15% of total is international.
- Information regarding the Chinese business travel was minimal. The only incident where Chinese travellers were given special focus was when Volvo launched their new Truck in 2002. Collaboration was made with the Volvo Event department, in taking care of their guests.



## Appendix C: Questionnaire for the companies

### Questionnaire:

Our Master's Dissertation is about Setting Göteborg as an attractive Destination to businessmen, with special emphasis on Chinese Businessmen. In a effort to accomplish our task we ask your assistance by providing answers to our questions, though this was actually designed for some form of personal interview and discussion with you. We hope to meet you personally for further discussion.

Thanks for your co-operation.

The import of these questions is to understand the following:

- Your categorization of businessmen
- The process of travel of these business delegations to the destination
- The tourism and hospitality roles to these businessmen (For instance, on their arrival, how their stay is managed? And how well the organisers or management understand their needs and expectations)
- Stakeholder management (The collaboration and relationship with other Business Groups in Göteborg, in satisfying these businessmen)

1. How will you categorise your business delegations i.e. what types of business delegations do you receive in your company? (For instance, those who just come for a business tour / visit or those who come purposely to do business)
2. How will you categorise the Chinese businessmen or delegation to your company?
3. Who plans for the arrival of these businessmen?
4. How are business trips organised form China to Göteborg?
5. Who are the actors involved?
6. Which organisation manages the stay of the Chinese business delegation in Göteborg?
7. How do the planners or organisers of these business delegations look upon the needs of the Chinese businessman?
8. What role does your company play? (before and during their stay of the businessmen)
9. Who pays the bills of these businessmen?(Travel, Accommodation, Food and other travel expenses)

10. What is the normal itinerary for the business delegation during their stay in the city?
11. What is normally the average period of their stay in Göteborg? (If business delegation is organised by the company)
12. Apart from their main purpose of visit (business tour or discuss business) are there any social activity or tourist package organised for them?
13. Who is responsible for that?
14. Who are the company's main contacts in terms of tourism and hospitality?
15. Are there any offers or incentives offered by the company to these business delegations to encourage repeat-visit?
16. What are they?
17. Do you have any collaboration with other companies in Göteborg, in meeting the needs or expectations of these business delegations?
18. Who are they?
19. What specific roles do you play in your collaboration or building a relationship with other companies in Göteborg?

***Statistics:***

20. What is the trend of business visits from China over the period of 5years? (1997- date)
21. What is the percentage of Chinese businessmen to the total business delegations visits per year?
22. Which countries do you receive the most business delegations? The trend over 5years
23. During period of the year do you receive the most visitors from China? (Summer, autumn, winter or spring?)

## **Appendix D: Questionnaire for the hotels**

### **Questionnaire:**

Our Master's Dissertation is about Setting Göteborg as an attractive destination to businessmen, with special emphasis on Chinese Businessmen. In an effort to accomplishing our task we implore your assistance by providing answers to our questions, though this was actually designed for some sort of personal interview and discussion with you. We hope to meet you personally for further discussion.

Thank you for your co-operation.

1. Do you keep any kind of data base on the particulars of your guests? (the country they come from, the purpose of their visit, how long they stay in the hotel etc)
2. How do you categorise guests that come to your hotel?
3. What percentage of your guests are businessmen or come for the purposes of business?
4. What is the average number of overnight stays of this group?
5. What is the average expenditure of the business guest per stay in your hotel?
6. What rate in your annual income is contributed by business guests in comparison to leisure and other guests?
7. Are there any special packages or services that are offered to these business groups?
8. What are they...?
9. Which period of the year do you receive the most business tourists?
10. Is there any specific difference in the number of national and international business guests?
11. What is the percentage of foreign business guests to the total number of guests that come to your hotel?
12. What percentage of your international business guests are from China?
13. Do you have any collaboration with companies here in Göteborg in terms of providing services to their business guests?
14. What does the cooperation with the companies in Göteborg look like?
15. Do you have any cooperation with other countries, like China, in terms of providing services?
16. What is the trend of foreign business guests in your hotel (over the period of last 5 years)?

17. What is your general opinion about prospects for the business tourism market in China,  
(with respect to the special agreement between Göteborg and Shanghai)

## Appendix E: Survey of Chinese delegations

### 商务游客问卷调查：已访问过哥德堡的中国商务游客

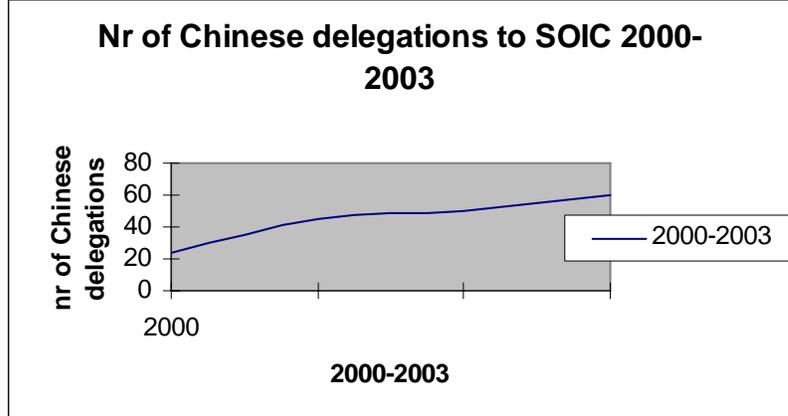
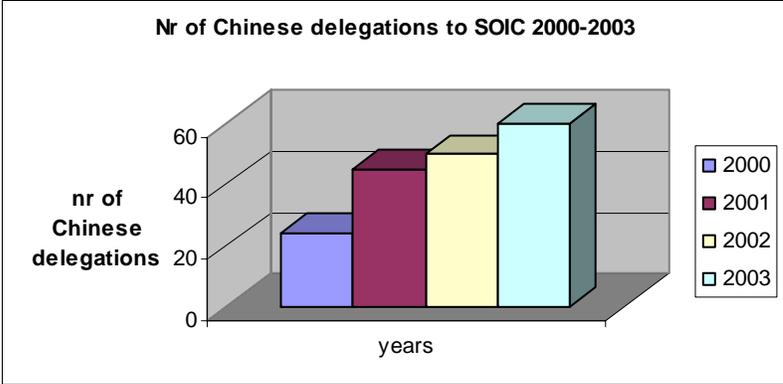
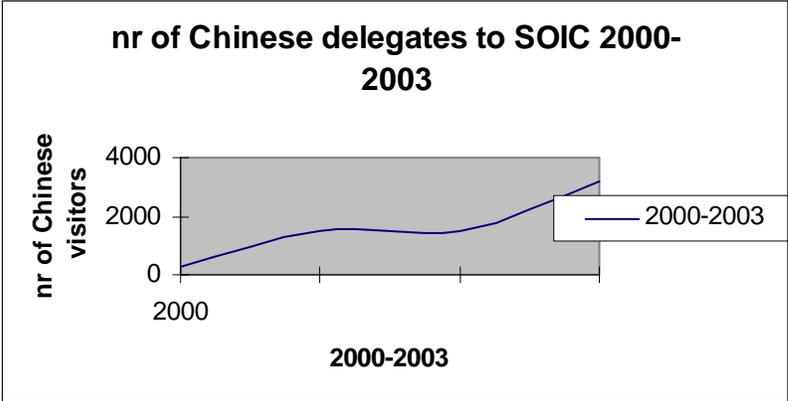
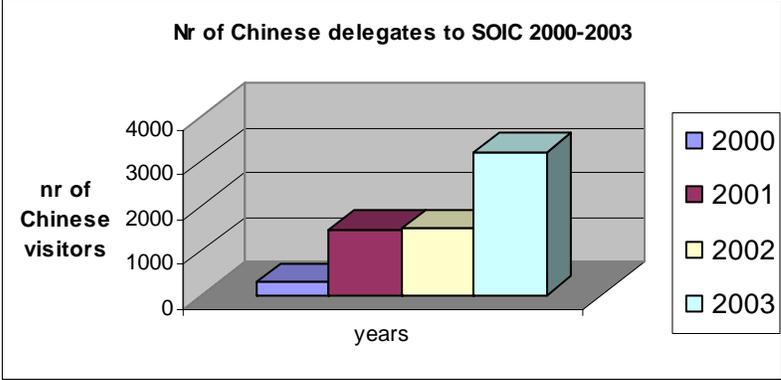
#### **Questionnaire for business tourists: Chinese businessmen who have already visited Göteborg and back to China.**

1. 你来自中国那个省市？ Which part of China do you come from?
2. 你属于那类商务团体或组织？ What kind of business group or organisation do you belong to?
3. 是否第一次来哥德堡？ Was it your first time to visit Göteborg?
4. 如果不是，共有几次？ If no, how many times have you been in the city?
5. 最近的来访是何时？ When was the last date of your visit?
2. 在本市停留多长时间？ How long did you stay in the city?
7. 如何知道该城市？ How did you know about the city?
8. 谁来安排你的哥德堡商旅？ Who arranged for your travel to Göteborg?
9. 你与那家旅行社联系过？ Which travel agency did you contact?
10. 你通常乘坐那家航班来哥德堡？ What flight did you use to get to Göteborg?
11. 谁来接待你们在歌德堡？ Who received you when you arrived in Göteborg?
12. 在歌德堡哪里住宿？ Where were you staying during your time in Göteborg?
13. 谁来安排住宿？ Who arranged for your accommodation?
14. 该城市是否是旅行的首选城市？ Was this done prior to your arrival to the destination?
15. 停留期间使用何种交通工具？ What transport arrangements did you have during your stay in the city?
16. 此次来访主要目的？ What was the main reason for your visit?
17. 你参观歌德堡那家公司？ Which companies did visit in Göteborg?
18. 你参观了多于或少于你准备要参观的公司？ Did you visit more/less companies than you intended?
19. 来之前是否联系过这些公司？ Did you have contact with these companies prior to your arrival?
20. 谁安排你的商务接触？ Who arranged for your business contact?

- 21 除商业目的外你是否还有其他目的？ What were your other objectives apart from business?
- 22 你去过哥德堡那些景点？ What were your other objectives apart from business?
- 23 在哥德堡最吸引你的地方是哪里？ Which travel agency did you contact?
- 24 在你来之前，你对该市有何期望与了解？ What were your impressions, perception of the city before you arrived?
- 25 你的期望是否与你参观之后的印象相符？ Will you say your expectations were met during and after your visit?
- 26 如何打分对你的期望和满意程度？（1—5分1最低，5最高） How will you rate the level of your satisfaction to your expectations? (from 1 – 5, where 1 is lowest and 5 highest)
- 27 你希望在此城市停留多长时间为好（商业或其他目的） Would you have wished to stay longer in the city? If yes, for how many days? (For business and/or other intentions)
- 28 你愿意再来哥德堡吗？为什么？ Would you like to come again to the city? Why?
- 29 你对哥德堡商业及接待住宿方面有什么建议和要求？比如饭店酒店等 Do you have any recommendations or opinions about the city in the area of business and hospitality, (thus restaurants, accommodation and other services for tourists)?

## Appendix F: Visits of Chinese delegations to SOIC 2000-2003

SOIC-Chinese visits									
nr of delegates					nr of delegations				
nr of Chinese delegates	month	2000	2001	2002	2003	2000	2001	2002	2003
	january	0	0	0	6	0	0	0	1
	february	0	201	0	107	0	4	0	6
	march	0	36	22	323	0	3	2	6
	april	6	49	112	12	2	3	4	1
	may	28	286	306	722	1	7	10	9
	june	25	291	489	301	3	7	11	6
	july	21	50	29	0	3	4	2	0
	august	19	349	368	21	2	9	8	2
	september	115	165	87	1417	5	6	5	15
	october	46	50	68	129	4	2	6	5
	november	13	0	9	152	2	0	1	8
	december	17	0	10	5	2	0	1	1
	total nr of the year	290	1477	1500	3195	24	45	50	60
	year	2000	2001	2002	2003				



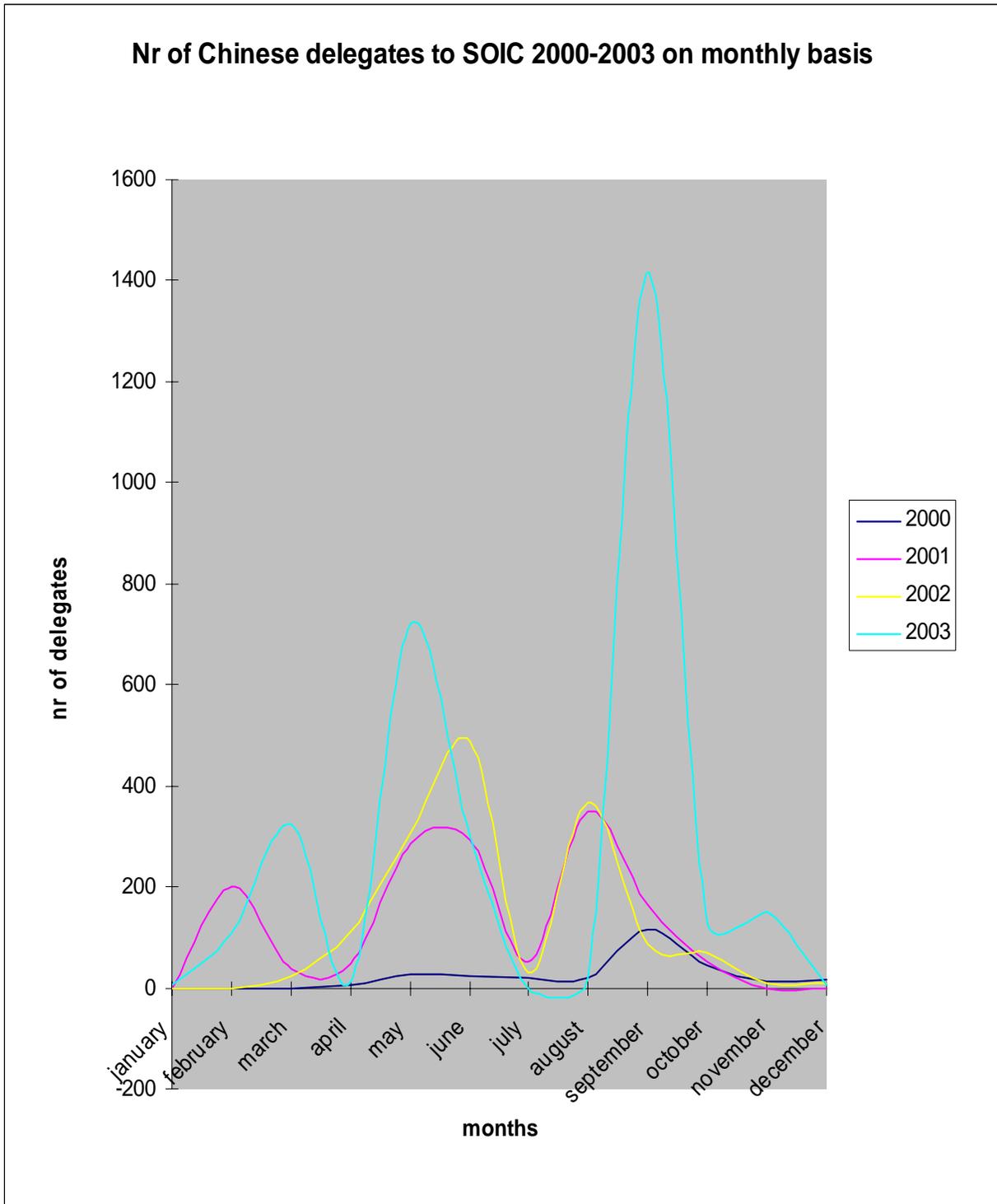
	2000	nr of delegations	nr of delegates
the company			
AB SKF		1	9
Astra-Zeneca		2	60
Ericsson Microwave Syst. AB		2	29
Saab Automobil AB		1	25
Västra Götalandsregionen		1	10
Volvo group		7	44

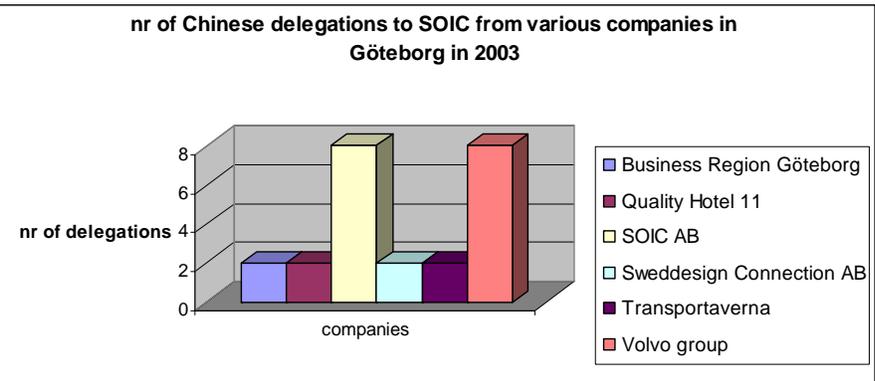
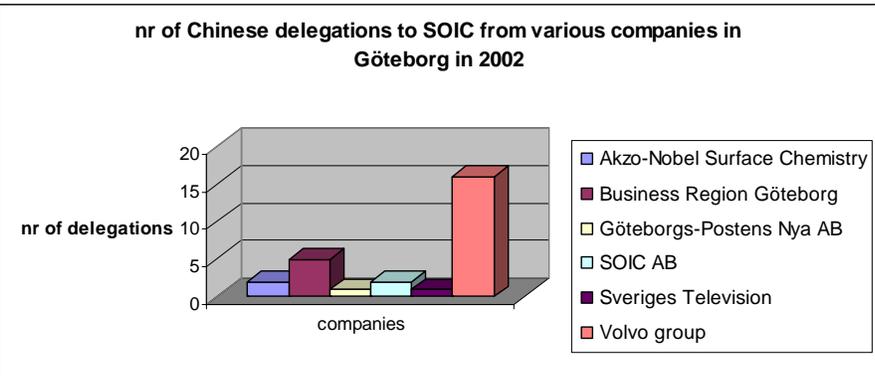
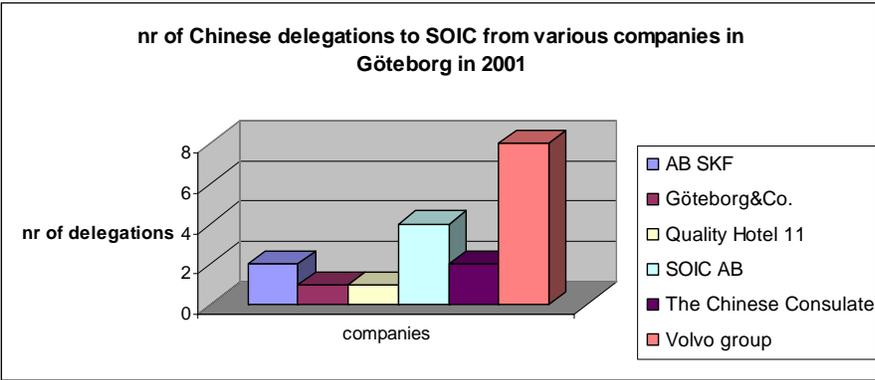
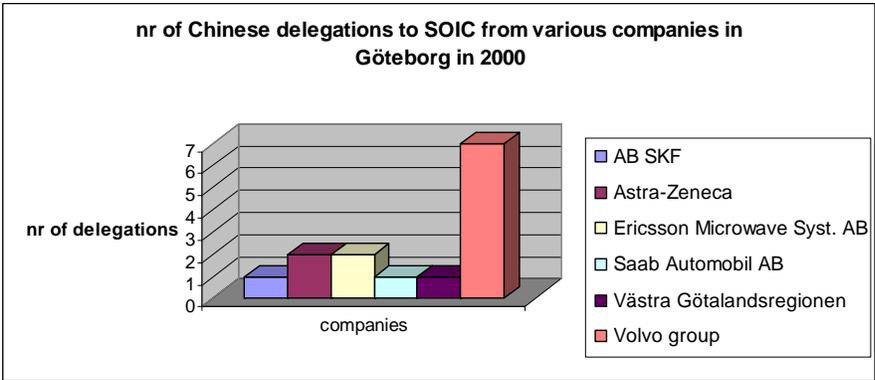
	2001	nr of delegations	nr of delegates
the company			
AB SKF		2	20
Göteborg&Co.		1	50
Quality Hotel 11		1	150
SOIC AB		4	200
The Chinese Consulate		2	24
Volvo group		8	367

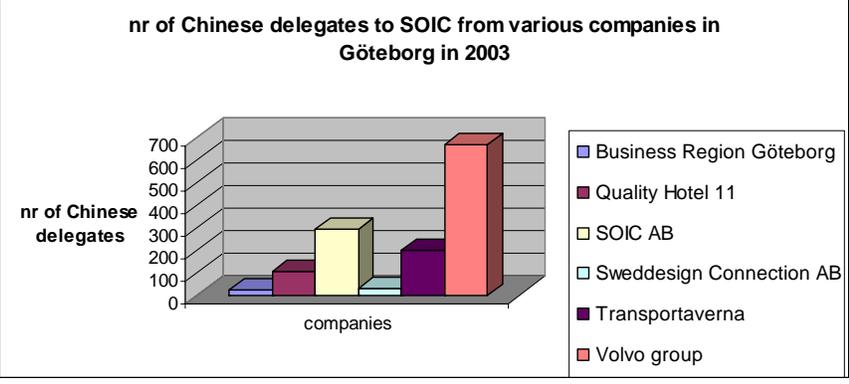
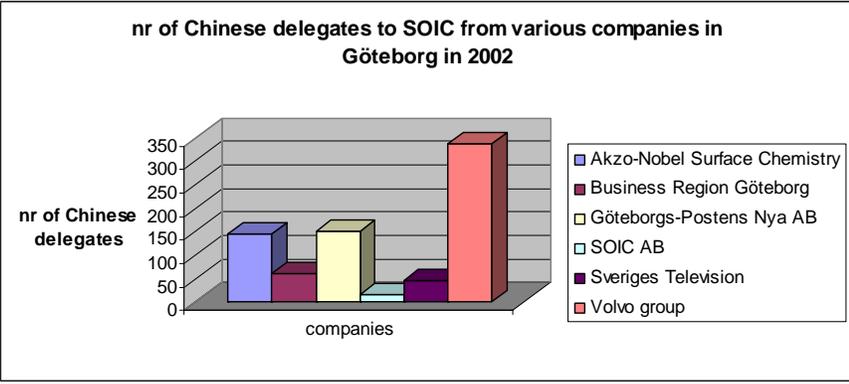
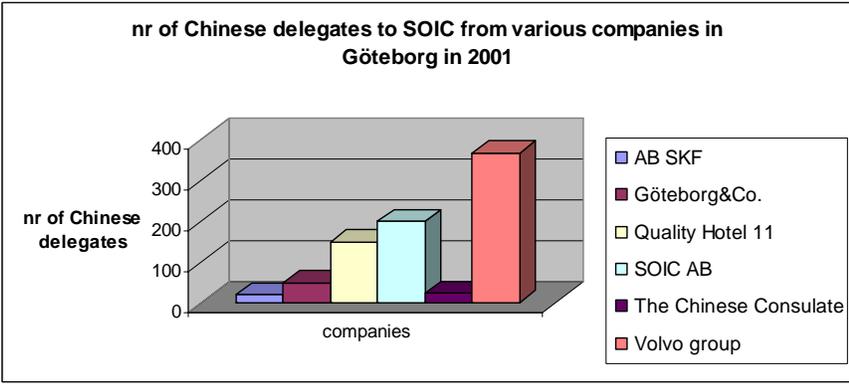
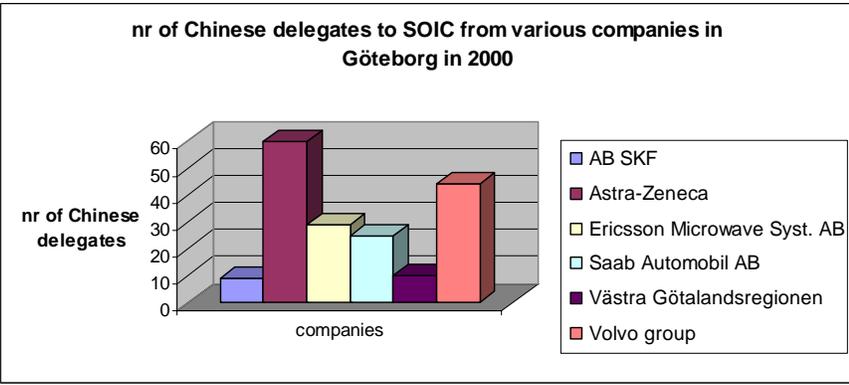
	2002	nr of delegations	nr of delegates
the company			
Akzo-Nobel Surface Chemistry		2	144
Business Region Göteborg		5	62
Göteborgs-Postens Nya AB		1	150
SOIC AB		2	16
Sveriges Television		1	45
Volvo group		16	337

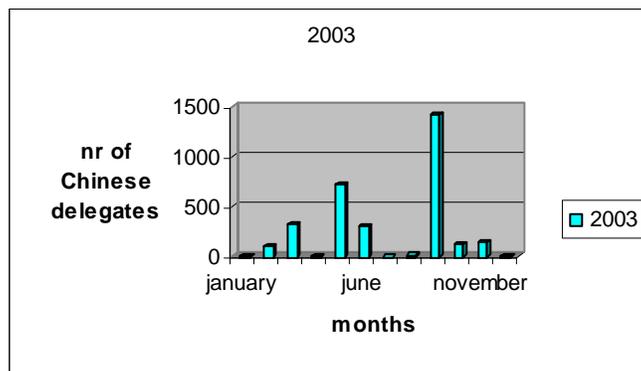
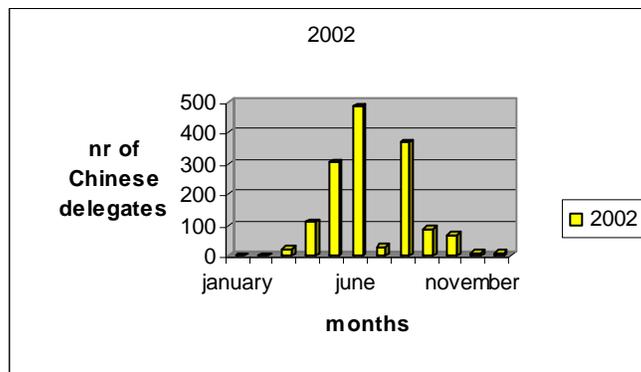
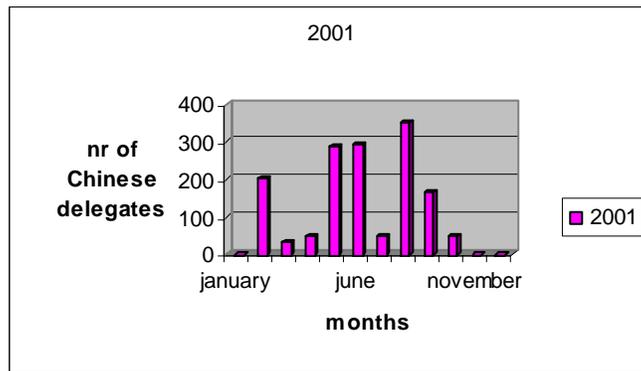
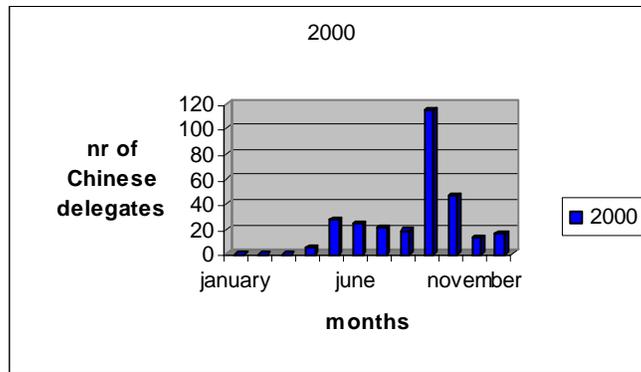
	2003	nr of delegations	nr of delegates
the company			
Business Region Göteborg		2	24
Quality Hotel 11		2	104
SOIC AB		8	292
Sweddesign Connection AB		2	30
Transportaverna		2	200
Volvo group		8	668

**Total number of Chinese delegates to SOIC on monthly basis 2000-2003**









**Total number of Chinese delegations to SOIC on monthly basis 2000-2003**

