



Reviewing the Conditions for Business Tourism in Bulgaria

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Abstract: This report outlines the trends in the development of business tourism in Bulgaria and analyzes the conditions for doing business tourism in the country. The main results of the study relate to the general theory about the specificity of the business tourism, the analysis of the practical application of tendencies of the different subjects at macro and micro level. In the specific studies and in drawing up the conclusions from them, common scientific methods as observation, analysis, synthesis, analogy, and others, are applied.

Keywords: business tourism; MICE; tendencies.

JEL: L83

Pregled pogojev za poslovni turizem v Bolgariji

Povzetek: To poročilo prikazuje trende v razvoju poslovnega turizma v Bolgariji in analizira pogoje za poslovanje poslovnega turizma v državi. Glavni rezultati študije se nanašajo na splošno teorijo o posebnosti poslovnega turizma, analizo praktične uporabe tendenc različnih predmetov na makro in mikro ravni. V posebnih študijah in pri pripravi njihovih sklepov se uporabljajo skupne znanstvene metode, kot so opazovanje, analiza, sinteza, analogija in druge.

Ključne besede: poslovni turizem; MICE; težnje.

JEL: L83

1. Introduction

The purpose of this report is to analyze the conditions for implementation - planning, modeling, conducting and reporting of the specialized products in business tourism in Bulgaria. The analysis of business trips aims at developing all-year-round forms of tourism and increasing the competitiveness of tourism enterprises in the country. The object of study is the business tourism in Bulgaria, and the subject - the conditions and the possibilities for its development. The tasks relate to differentiating the current trends in business tourism

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How to cite this paper = Kako citirati ta članek: Janeva, M., Georgieva, R. (2020). Reviewing the Conditions for Business Tourism in Bulgaria.

Mednarodno inovativno poslovanje = Journal of Innovative Business and Management, 12(1), 35-40.

DOI: 10.32015/JIBM/2020-12-1-5

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Mednarodno inovativno poslovanje = Journal of Innovative Business and Management
ISSN: 1855-6175

development and assessing the sectors related to business travel services - accommodation, transport, sightseeing and attractions.

The business tourism is one of the fastest growing types of tourism in the world. In theoretical and practical-applied aspect, multiple authors analyze various theoretical models and concepts related to the development and management of MICE tourism and, in general, the definition of its main four varieties is identical. Leading authors who work in this direction are Rusu (2009), Ladkin (2003) and Lau (2013).

For the purpose of their activities, international companies are increasingly demanding from their employees to have the possibility and desire to travel away from home – on business trips - in order to participate in a conference, exhibition, symposium, training, to close a business deal, maintain international partnerships and other. *Issues related to the essence of business tourism, its importance for the development of tourism policies in Bulgaria and the conditions for its implementation in the country find their application in this report.*

2. Trends in the Development of Business Tourism in Bulgaria

The topicality of business tourism is present in the private business and ***the tourism development policies*** in Bulgaria. At the sixth annual meeting of the National Tourism Board, the Ministry of Tourism declares that the future development of tourism in Bulgaria aims at transforming the country in an all-year-round tourist destination, attractive for a wide range of consumers. The purposes of this management policy on a macro level are associated with a number of challenges, such as reducing the administrative burden for the tourism industry, development of congress and other types of tourism that are priority for the country.

Tsonev (2013) examines the repositioning of the image of leading resorts known in the Western European emissive markets also as a priority of the management. According to Ianeva (2015) example of this is the popular Black Sea complex Sunny Beach, popular with its natural resources and the advanced and modern super-infrastructure, which can be repositioned as a resort for congress tourism. In order to be competitive in the field of business tourism, additional investments are needed in the field of specialized equipment in relation to congress centers. It can be argued that at present the competitive climate and specialization are set at a high level in the Eastern European countries, following the example of the leading European destinations that try to attract as many international meetings, congresses and exhibitions as possible.

At governance level, this issue is settled in 2015 with the *creation of the Tourism Zoning Concept* created by the Ministry of Tourism. The concept is analyzed in the present study due to the differentiation and presence of the business tourism in three of the regions in the country – Trakia, Varna and Sofia (Table 1).

Table 1: Basic and extended specialization of tourist areas in business tourism

TOURISTIC REGION	MAIN SPECIALIZATION	EXTENDED SPECIALIZATION
SOFIA DISTRICT	Business and cultural tourism	<ol style="list-style-type: none"> 1. Business tourism (MICE) 2. Cultural tourism 3. Mountain tourism 4. Health tourism 5. Religious and worshipping tourism 6. Adventurous and ecotourism
Varna District (North Blacksea)	Sea and sports tourism	<ol style="list-style-type: none"> 1. Sea recreational tourism 2. Sports tourism 3. Cultural and festive tourism 4. Business tourism (MICE)

TOURISTIC REGION	MAIN SPECIALIZATION	EXTENDED SPECIALIZATION
Thracia District	Cultural and wine tourism	5. Health tourism 6. Ecotourism 1. Cultural tourism 2. Wine tourism 3. Business tourism (MICE) 4. City entertainment and shopping tourism 5. Health tourism 6. Adventurous and ecotourism

The management of the areas through destination marketing organizations is being examined by several authors, both in theory and in practice. According to Portarska (2018) the objective of tourism zoning is related to managing regions as separate destinations and managing tourist destinations considering marketing, communication, and information campaigns. Travel destination management is a widely used concept in theory and practice, and the image of the destination is of particular interest to researchers and managers in the tourism industry (Ianeva et al., 2013).

The application of business-related management policies is seen as a priority task at both the destination marketing organizations level and at the level of business management - *travel agencies, hotels and venues*.

The implementation of modern management technologies leading to business transformation is determined by the effectiveness of management decisions (Tsonev, 2017).

With regard to the specificities of standardization of accommodation, there are different requirements in the legislation in different countries. A new concept for building the hotel lobby is emerging, which needs to serve not only as a common hotel space but also to present opportunities for working conditions for the guests. The specific features that link new trends in lobby design and a basis of a number of studies and assessments by theoreticians and experts are co-working spaces, fast internet access and a place for work having the right light, a background music and privacy. The mandatory requirements relating to the expectations of business travelers in terms of availability and maintenance of high-tech business facilities, modern infrastructure in the site offering business tourism and automation of tourist services with the provision of easily accessible information from the global network are trending.

Another trend in supply in the tourism sector is related to the further orientation of the supply from classic cultural programs to business events and trips. This orientation of the tour operator business activity in packaging similar type of programs requires a number of peculiarities: sound financial position of the company, numerous subsidiaries and contractors at home and abroad, high standard of service provider's offerings, well developed and functioning information system etc. (Ianeva, 2016).

The next trend studied in this report is given by Bulgarian tour operators regarding the formation of a business product for *the emerging occurrence of the vacation as a mandatory element to business travel*. Some professionals call the phenomenon "bleisure" (business & leisure, business & pleasure) or "bizcation" (business & vacation). The costs of business meetings and travel expenses are covered by the company, but as a bonus, the employee is offered the option of paying for extended hotel accommodation, and in these days he uses an additional program related to experiences, entertainment, cultural tourism and others, according to his personal preferences, which are reported by the tour operators when packing this type of programs.

The trends reviewed in the business tourism offering in the country have been implemented following the example of leading European and global MICE tourism destinations. The policy of the individual components

of the macro and micro-tourist environment in the country as regards the application of good practices is related to the continuous development and renewal of total offering in tourism and in particular for business tourists, namely accommodation, transport, sightseeing and entertainment.

3. Reviewing of the sectors related to business tourism in Bulgaria

After identifying and highlighting the new and long-lasting trends in the development of business tourism, it is necessary to segment the market in Bulgaria in order to evaluate the business product offered in the country. The purpose of segmenting the market is to make marketing decisions easier satisfying consumer needs and travel and tourism needs by formulating the products and services required, their delivery and promotion (Tsonev, 2013).

In essence, the *business travel* is an exchange of labor force where natural persons travel abroad to perform different activities for the benefit of their employer or business partner (Rusu, 2009). Segments that are related to the packaging of business tourism products are built from the following components – accommodation and meals, transportation, attractions and sightseeing.

3.1. Accommodation (Hospitality)

Accommodation (Hospitality) is widely popular term studied and described by a number of authors in the field of tourism. It is a basic and mandatory tourist service for all kinds of tourist programs.

Four- and five-star accommodation places in terms of the Classification Ordinance¹ are among the major providers of business events. Researchers conduct a number of studies on the cost for business tourists in terms of their distribution by basic and additional tourist services. These studies help tour operator practitioners to set the packaging parameters for this type of packages. It is necessary to highlight the specifics of such a type of business hotels. Mandatory components that need to be available, both according to the requirements of the Categorization and in terms of ensuring competitiveness based on their internal company standards are rooms, restaurants, ballrooms and meeting rooms, spa and wellness areas, business and entertainment centers and others.

In the specialized and popular literature, there are various nominations and rankings held, related to the ranking of the most famous and most visited hotels for business tourism. According to one of these classifications of the magazine "Assessment of International Meetings" Kempinski Hotel Corvinus (Budapest), Grand Hotel Pupp (Czech Republic), Grand Hotel Ambassador (Czech Republic), Royal Savoy Hotel (Switzerland) are among the top visited business hotels. On the Bulgarian tourist market unfortunately there is only one of the mentioned chains present, namely hotel Kempinski, Bansko. Incorporating in the tour operators' package of business tourists' accommodation in hotels of popular chains ensures product recognition and is an indicator of high service standards.

Over the last 10 years, there are tendencies in the country towards creating hotels with facilities that meet the needs of the modern business tourist - bigger spaces for working in the lobby area, strong internet connection, presence of a business center in the hotel, recreation opportunities for the free time - spa center, bar, gambling rooms and more. Examples of hotels with business orientation in the country are

¹ Ordinance on the Requirements to Accommodation and Restaurants and Entertainment Facilities and on Order for Category, Denial, Reduction, Suspension and Termination of Category.

Intercontinental Hotel Sofia, Hotel Sense, Ramada Hotel Sofia, Hotel Ramada Trimontium, Plovdiv and many others that adapt their services to the business segment.

3.2. Transportation

The next mandatory component of program packing is linked to the transportation service – transportation costs have an impact on business tourism. There is a differentiation as to the importance of transportation costs in terms of the different types of business trips. *For incentive trips*, part of the MICE mix, the availability of a variety of means of transportation is crucial, as most trips often involve large tourist groups, for which discounts are available for round-trip air and bus tickets. In this respect, low-cost airlines also have a positive influence in terms of reducing the cost of airline tickets. To participate in *conferences, meetings and exhibitions* preferred by business tourists are regular flights of airlines, because of the possibility of choosing a higher class of travel. For this part of the MICE mix, the higher costs are justified in terms of the higher class of amenities needed by passengers. As part of the transportation costs, it is necessary to consider the additional on-site services in the destination - rent-a-car and airport transfers.

3.3. Sights and attractions

The last, but not mandatory, component of the packaging of a tourist product for business tourism is the inclusion in the program of sightseeing, attractions, events and more. Although the main purpose of business tourists is a designated event or meeting, they usually plan part of their trip to visit local attractions, as already noted this is associated with bleisure tourism. After a conference, for example, the host often organizes a tour, in which international participants can visit sights in and the city's surrounding areas. For incentive trips, visits to local attractions can even be the main purpose of the trip (Lau, 2013). The small territory of Bulgaria allows for easy access to a large number of tourist attractions in a short period of time. In and around the capital of the country there is a concentration of over 10 tourist sites, some of which are of world importance as the Boyana Church, the monument St. Alexander Nevski, Rila Monastery and others.

The most suitable locations for business events in Bulgaria are the big cities like Sofia, Plovdiv, Varna, which are the main centres for the development of business tourism, according to the already mentioned Tourist Zoning Concept. Recently, even smaller tourist sites have developed a comprehensive set of services that meet the needs of business travellers and can be included in the package of travel agencies. Such places offer the possibility to visit wine cellars, accommodation in spa complexes, setting up business meeting centres, various dining and entertainment venues and other opportunities according to the requirements of the modern tourist to meet the combined tourist needs regardless of the main purpose of the trip, related to business tourism.

By analysing the different sectors related to the packaging of business tourism products, it can be summarized that the tour operator needs to observe both the leading trends in terms of the requirements of the modern business tourist and the specificity in the delivery of the suppliers and their competitiveness.

4. Conclusion

This report presents a theoretical rationale for the importance of business tourism as a prerequisite for proving the topicality of the topic under study. As a theoretical contribution, the analysis of the trends in the field of business tourism in Bulgaria and their application by the organizations involved in the provision of tourist business services can be considered. As a practical contribution - the guidelines given to travel agencies specializing in the field of business tourism in the packaging of these products. The sectors

observed related to business tourism aim at analysing the tourist offering and assessing the competitive advantages and vision of Bulgaria as a destination for business tourism.

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