

Article

Revitalizing Business Tourism in the European Union: Strategies for Growth

Pedro Carvalho ^{1,2} ¹ Polytechnic Institute of Viana do Castelo, 4900-367 Viana do Castelo, Portugal; pc@estg.ipv.pt² Centro de Investigação, Desenvolvimento e Inovação em Turismo, 2769-510 Estoril, Portugal

Abstract: The COVID-19 pandemic had a disastrous effect on the growth in business tourism, emphasizing the role of information and communication technologies in the implementation of new meeting models. Consequently, new needs and concerns of the business tourist may have arisen, which should lead business tourism organizations to consider new attributes in their value proposition. Thus, this study aims to understand the determinants of business tourism spending and the number of business meetings, in the European Union, to aid the formulation of economic and marketing policies, in the post-pandemic period. For this purpose, a literature review is carried out for the periods before, during, and after the pandemic phase; additionally, a panel data analysis is performed using data from the 28 countries in the European Union. The results identify new typologies of determinants, describing first-order (global-scale) and second-order (European-scale) determinants and identifying important practical implications.

Keywords: business tourism; meeting tourism; MICE; European Union

1. Introduction

According to the World Travel and Tourism Council (WTTC 2021), business tourism was one of the segments that suffered the most from the effect of the COVID-19 pandemic, with a worldwide decline in revenues of more than 61% between 2019 and 2020. However, the importance of business tourism to the contribution in revenues in the various tourist destinations worldwide should not be overlooked: this accounted for approximately 27.5% of revenues resulting from leisure tourism prior to the conjunctural penalization of economies of various countries due to the pandemic (WTTC 2021). According to the Global Business Travel Association (GBTA 2021), business tourism expenditure worldwide is expected to return to pre-pandemic levels by 2024, reaching approximately 1.48 trillion US dollars.

Although the scientific community recognizes the multiplicity of benefits of business tourism at a social and cultural level (Borodako and Rudnicki 2014; Chiang et al. 2012), the positive effect of this segment on the growth in gross domestic product (GDP) (Hussain et al. 2017) and foreign direct investment (FDI) is extremely relevant in the economies of the most developed countries (Zhylenko et al. 2022). Studies have also observed that business tourism can help reduce the impact of seasonality and boost international trade, especially when compared to leisure tourism (Crouch and Louviere 2004; Bernini 2009). Moreover, from a behavioral perspective, business tourists typically tend to spend more money than leisure tourists due to their larger budgets (Fernandes and Carvalho 2017).

Business tourism has been heavily affected by the disruptive fallout from COVID-19, with security being the top concern for business meeting providers (Kim et al. 2022). Nevertheless, the International Congress and Convention Association (ICCA 2020) highlighted significant opportunities on the supply side of the meetings sector to support customers through greater flexibility and innovation, optimizing technology, using online tools (Davidson 2019; Zhylenko et al. 2022; Lekkau and Tichaawa 2022a), and applying



Citation: Carvalho, Pedro. 2023. Revitalizing Business Tourism in the European Union: Strategies for Growth. *Administrative Sciences* 13: 180. <https://doi.org/10.3390/admsci13080180>

Received: 5 July 2023

Revised: 26 July 2023

Accepted: 2 August 2023

Published: 4 August 2023



Copyright: © 2023 by the author. Licensee MDPI, Basel, Switzerland. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<https://creativecommons.org/licenses/by/4.0/>).

artificial intelligence (Neuhofer et al. 2021), in addition to the advantages they offer participants due to the lack of transport costs and lower travel-time costs (Iwamoto et al. 2021; Seraphin 2021; Hofstädter-Thalmann et al. 2022).

Authors such as Rogerson and Baum (2020) stated that tourism will entail characteristics and geographies compared with the years before COVID-19, indicating a harmony in the meetings industry that face-to-face events will return, with a regular reduction proportional to the use of virtual events. However, the disposal of studios and green rooms, together with vast audiovisual services (AV) services, could be a key criterion in future venue selection by MICE event planners (Lekgau and Tichaawa 2022b). Therefore, some authors have pointed out that virtual meetings will continue to grow in popularity (Seraphin 2021; Lekgau and Tichaawa 2022b), recognizing that new technologies will help the meetings and events industry to increase competitiveness (Bukovska et al. 2021). Thus, the conditions of uncertainty and turbulence caused by the COVID-19 pandemic brought about significant changes in this industry, especially in terms of technology, which require the knowledge of additional information (Zhylenko et al. 2022). This can influence the behavior of participants in business events (Backman 2018; Bukovska et al. 2021) and attract nontraditional participants, thus reaching a much larger audience (Hofstädter-Thalmann et al. 2022).

To guide the countries of the European Union in the formulation of economic policies and marketing strategies that stimulate the growth in business tourism, in a context where the COVID-19 pandemic has raised new considerations for business travel destinations, this study aims to deepen the understanding of the factors that can influence business tourism spending and the number of business meetings. For this purpose, a literature review is carried out on the determinants of choosing the meeting place, in the periods before, during, and after the pandemic phase; additionally, a panel data analysis is performed using data from the 28 countries in the European Union between the years 2013 and 2019¹, which includes the period of most recent accession by Croatia until the United Kingdom leaving the European Union on 31 January 2020.

The remainder of the article is structured as follows: In Section 2, the theoretical framework is presented. Subsequently, the empirical methodology and specification of the model to be estimated are discussed. The results of the analyses and respective discussions are then presented. Lastly, final considerations are discussed.

2. Literature Review

Business tourism demand has been analyzed from the late 1980s to the present day, emphasizing two typologies of determinants: those associated with the participation of individual delegates in conventions (Zhang et al. 2007; Jung and Tanford 2017; Liang and Latif 2018) and those that are relevant in the choice of venue for meeting planners. Within the scope of factors valued by meeting planners, this issue has been approached from two perspectives: from a (micro) behavioral perspective, where several conceptual (Crouch and Ritchie 1998), quantitative (Crouch and Louviere 2004; Draper et al. 2011), and qualitative studies (Bradley et al. 2002; Haven-Tang et al. 2007) have been performed, and from a (macro) economic perspective, arising from the contribution of economics and tourism studies, and the application of econometric models (Var et al. 1985; Kulendran and Witt 2003).

Following a behavioral approach, scientific contributions generally concluded that, for meeting organizers, the determinants for choosing the destination for conventions include the venue capacity and proximity; conference and accommodation costs; food quality; available entertainment; physical, social, and cultural characteristics of the meeting place; quality of meeting rooms and audiovisual equipment; availability of hotel rooms; and attractiveness, safety, and hygiene at the location (e.g., Oppermann 1996; Crouch and Louviere 2004; Jung et al. 2018).

More recently, based on the model presented by Crouch and Louviere (2004), Suwannasat et al. (2022) highlighted new attributes that can improve the understanding of factors affecting organizers' decision-making on meeting destinations. This investigation

period coincided with the COVID-19 pandemic. The authors concluded that local staff and service teams, local communities and influencers, willingness/determination to establish a legacy for the destination, community awareness of the economic impact of the meeting, and community involvement to support the meeting are recent significant attributes that attract the attention of meeting organizers. Other researchers, in turn, emphasize the technological dimension associated with business meetings. Thus, [Lekgau and Tichaawa \(2022b, p. 99\)](#), explain that “the availability of studios and green rooms, and the extensive AV services, may become a criterion adopted by MICE event planners when selecting venues in the future”. [Ho and Sia \(2020\)](#) highlight the importance of having virtual event platforms, which should allow event attendees to attend different event sessions and have networking opportunities. [Hofstädter-Thalmann et al. \(2022\)](#) express the need for sessions to be accessible anywhere with a variety of devices ranging from computers to hand-held tablets and smartphones. [Xu et al. \(2020, p. 9\)](#) further explain that “it is necessary to effectively strengthen the research on the changes in MICE tourism and various integrations brought about by IT technologies such as mobile internet, 5G, artificial intelligence, blockchain, big data, and cloud computing, and attach importance to the important promotion of the development of engineering technology, information technology, and new media to the MICE tourism industry”. However, the safety the health of travelers should become the main concern of business tourism providers ([Kim et al. 2022](#)) and providers of other tourism segments ([Roman et al. 2022](#)).

Following a macroeconomic approach, empirical studies by [Var et al. \(1985\)](#), [Kulendran and Witt \(2003\)](#), [Cró and Martins \(2018\)](#), and [Carvalho et al. \(2018, 2019\)](#) are worth highlighting. [Var et al. \(1985\)](#) concluded that three variables influence participation in a convention: accessibility, emissivity, and attractiveness. In turn, [Kulendran and Witt \(2003\)](#) presented econometric models with the following explanatory variables: income of the tourists, economic activity, openness and commercial freedom of the destination country, price of vacations, and volume of business tourism. Using regression analysis, [Cró and Martins \(2018\)](#) also highlighted that the quality of human resources, natural attributes and cultural resources, and price competitiveness are key factors for organizing business meetings. Similarly, following a macroeconomic approach, [Carvalho et al. \(2018\)](#) emphasize that FDI and private investment are essential for an increase in business tourism income. In addition, the findings showed that consumer inertia—namely the persistence of business tourist consumption habits and references given by tourists—can have a significant effect on business tourist spending. In turn, these authors highlighted, in another study, the significance of economic activity as well as political stability for increasing the number of international meetings ([Carvalho et al. 2019](#)). More recently, [Zhylenko et al. \(2022\)](#), executing a correlation–regression analysis and dispersion analysis, demonstrated that the number of MICE events and the economic effect of their holding has a positive influence on the expansion of GDP and FDI.

Following an extensive literature review on the determinants valued by meeting planners, considering a holistic perspective (micro and macro determinants), it is possible to understand that several determinants can be controlled by the decisions of economic agents and policymakers, namely, costs associated with the meeting place, physical and technological conditions for holding meetings, security and social peace, business dynamism and its capacity for regeneration, hospitality of local populations, ease of access to the meeting place, availability and quality of rooms, entertainment and cultural establishments, and degree of openness of the place in commercial and financial terms. Thus, the aim of this article is to identify the key factors that can increase the revenue generated from business meetings and the frequency of association meetings in the European Union. Due to the COVID-19 pandemic, new attributes are now possibly valued by business travelers. Two research questions arise:

- (1) What determinants influence business tourism spending and the number of association meetings held in countries belonging to the European Union?

- (2) What economic policies and marketing strategies can be developed to increase business tourism spending and the number of association meetings held in countries belonging to the European Union?

3. Methodology

3.1. Sample

To obtain the sample, data were collected for the 28 countries in the European Union from the databases of the Data World Bank, WTTC, and ICCA for the period 2013 to 2019 (7 years). Countries with missing values in the reference years were eliminated to homogenize the sample, obtaining a final sample of 196 data observations. A panel data analysis was performed using gretl 2022a software, firstly using a fixed-effects model. Subsequently, a dynamic model was estimated, after identifying the presence of serial autocorrelation.

3.2. Variables and Data Sources

Given the methodological and ontological similarity of this study, explanatory and dependent variables were proposed and the databases presented by [Carvalho et al. \(2018, 2019\)](#) were applied. Thus, to operationalize the identified controllable determinants that could influence business tourism spending and the number of association meetings, the following explanatory variables were used:

- Cost of living in the country of destination, through operationalization of the proxy variable—PPP to market exchange ratio²;
- Government effectiveness (GE), which enables the operationalization of issues related to the qualifications of inhabitants, and the value of public services, public health system, and general infrastructure as elements that also boost visitor accessibility ([Kaufmann et al. 2010](#));
- Capital investment (CI), which operationalizes aspects related to entertainment and cultural opportunities resulting from private initiatives, private investments in meetings, technological and accommodation equipment, and connection of private companies to the meeting place ([WTTC 2021](#));
- Political stability and absence of violence (PS), which assess perceptions of terrorism, wars, and political and social instability ([Kaufmann et al. 2010](#));
- Rule of law (RL), which measures how social agents trust and comply with society's norms, namely, respect for contracts and property rights, as well as policing and the functioning of the courts ([Kaufmann et al. 2010](#));
- Regulatory quality (RQ), which operationalizes the government's capacity for policies that stimulate commercial, industrial, and urban dynamism and regeneration ([Kaufmann et al. 2010](#));
- Leisure tourism spending (LTS), which aims to explain the dynamism of leisure tourism ([WTTC 2021](#));
- Gross domestic product (GDP) aims to evaluate the dynamism of business activity, as a generator of added value for tourists ([Oh 2005](#); [Carvalho et al. 2019](#));
- Trade openness (IEGS), which was measured based on the country's exports plus imports in relation to its GDP ([Lloyd and MacLaren 2002](#); [Kulendran and Witt 2003](#));
- Foreign direct investment (FDI), which aims to measure the net inflow of foreign investment in relation to GDP ([Aizenman and Noy 2006](#); [Azman-Saini et al. 2010](#)).

The explanatory variables CI and LTS were measured using the online database of the WTTC³. In turn, data on the variables cost of living, GDP, and IEGS were obtained from Data World Bank⁴. Lastly, the governance variables GE, PS, RQ, and RL were measured using the Worldwide Governance Indicators database from the World Bank⁵.

In this study, business tourism spending (BTS) is proposed as a dependent variable, which consists of expenses associated with business trips experienced within a country by residents and visitors ([WTTC 2021](#)), and the number of association meetings (M), which

was obtained from a database provided by the ICCA containing information regarding international meetings that cumulatively satisfy the following conditions: meetings are planned regularly, at least 50 delegates attend the meetings, and meetings have already been held in at least three countries (ICCA 2020). Data for these dependent variables were gathered from the WTTC and the ICCA, respectively.

3.3. Model Specification

For the reference period from 2013 to 2019 (seven years), two models were estimated to describe determinants that can increase business tourism spending and the number of international association meetings in the European Union using data from the 28 European Union countries ($i = 1, \dots, 28$), thus obtaining a set of 196 complete panel data observations.

Panel data are often pooled in studies applied to the European Union (Ragazou et al. 2022) and have several advantages. Such data allow the construction of more complex models, identifying and measuring undetectable effects in time series, and controlling individual heterogeneity (Baltagi 2008). In addition, panel data also provide more information, increase degrees of freedom, reduce collinearity, and allow for better estimation efficiency (Asteriou and Hall 2011; Wooldridge 2012). Hence, in this study, the models to be estimated adopted the double-logarithmic form (1):

$$\ln Y_{i,t} = \alpha + \beta_i \ln X_{i,t} + \mu_{i,t} \quad (1)$$

To verify the poolability of panel data, the Breusch–Pagan Lagrange multiplier statistical test was used, which allows for the rejection of the null hypothesis stating that models using the least squares method are pooled, and the acceptance of the alternative hypothesis stating that the fixed-effects models are consistent. Additionally, the Hausman test was used to accept the alternative hypothesis of consistency of the fixed-effects models, rejecting the null hypothesis of consistency of the random-effects models.

In serial autocorrelation, the approach would transform all the models' regressors by first differences, using dynamic panel models. According to Arellano and Bond (1991), the difference generalized method of moments (GMM-DIFF) must be used. Thus, the dynamic models to be estimated are (2):

$$\ln Y_{i,t} = \Delta \ln Y_{i,t-1} + \Delta \ln X_{i,t} + \Delta v_{i,t} \quad (2)$$

The result using the GMM estimator verifies the nonexistence of second-order autocorrelation in the errors, and, based on the Sargan test of overidentification of constraints, the nonpresence of correlation amid the perturbation term and the instruments. Thus, the nonrejection of the null hypothesis in both tests corroborates the GMM-DIFF.

4. Results and Discussion

The estimations using the least squares method were performed. The Breusch–Pagan Lagrange multiplier statistical tests contradict the null hypotheses stating that least squares models are pooled ($LM = 248.841, p < 0.001$; $LM = 402.039, p < 0.001$). In turn, the Hausman tests ($H = 18.7162, p < 0.001$; $H = 56.8617, p < 0.001$) validate the alternative hypotheses of the presence of the fixed-effects model, contradicting the null hypotheses that the random effects models are consistent.

4.1. The Meetings Dependent Variable

The results of estimation for the fixed-effects using the meetings (M) dependent variable are globally significant [$F(37, 158) = 220.8506, p < 0.001$] and reveal the significance of the variable IEGS ($t = 0.623169, p < 0.05$). Furthermore, the model's independent variables explain approximately 98% of the variation in the M variable ($LSDV R^2 = 0.982$). On the other hand, based on the Durbin–Watson (DW) test ($DW \text{ test} = 1.885493$), the occurrence of serial autocorrelation in the perturbation terms is not found (Table 1).

Table 1. Results of estimation (M) for the fixed-effects (2013–2019).

Variable	Coefficient	Standard Error	t-Statistic	p-Value
Const	−2.393	9.210	−0.259	0.795
CI	−0.124	0.132	−0.936	0.350
LTS	0.365	0.287	1.271	0.205
RQ	0.386	0.261	1.481	0.140
RL	−0.251	0.421	−0.597	0.551
PS	0.377	0.250	1.508	0.133
GE	−0.349	0.408	−0.855	0.393
PPP	−0.516	0.364	−1.416	0.158
IE	0.623	0.299	2.078	0.039
GDP	0.150	0.358	0.420	0.674
FDI	−0.013	0.055	−0.238	0.812

LSDV R^2 : 0.982, F -statistic (37, 158): 220.850 ($p = 0.000$), Durbin–Watson statistic: 1.885, No. of observations: 196.

For interpreting the results in Table 1, it should be noted that, as expected, the positive sign of the estimated coefficient for the IEGS variable and an elasticity value (0.62) reveal the importance of the degree of trade openness for the progress of international association meetings. The degree of trade openness explains the relevance of commercial transactions between countries, in the form of imports and exports (Keith 2007). Based on the results obtained, it is possible to understand that the greater the international trade of European countries, the more the economies are exposed to the influence of European economies and the greater the number of association meetings in the European space (cf. Kulendran and Witt 2003). According to these researchers, the degree of openness and commercial freedom creates opportunities for international business meetings. Interestingly, the results of this estimation contrast with the results presented by Carvalho et al. (2019), on the determinants of international association meetings worldwide. For these authors, political stability, absence of violence, and dynamism of economic activity would be the key factors for the growth in international association meetings.

4.2. The Business Tourism Spending Dependent Variable

Table 2 shows that estimation using the business tourism spending (BTS) dependent variable is globally significant [$F(37, 158) = 3171.963$, $p < 0.001$], and reveals the significance of the variables PPP ($t = -0.427253$, $p < 0.001$), IEGS ($t = 0.346183$, $p < 0.001$), and GDP ($t = 0.424785$, $p < 0.001$). Furthermore, the model's independent variables explain approximately 99% of the variation in the BTS variable (LSDV $R^2 = 0.998$).

Table 2. Results of estimation (BTS) for the fixed-effects (2013–2019).

Variable	Coefficient	Standard Error	t-Statistic	p-Value
Const	−10.652	3.07	−3.468	0.001
CI	−0.012	0.044	−0.291	0.771
LTS	−0.001	0.095	−0.018	0.985
RQ	−0.047	0.087	−0.543	0.587
RL	−0.038	0.140	−0.277	0.781
PS	−0.007	0.083	−0.094	0.925
GE	−0.112	0.136	−0.823	0.411
PPP	−0.427	0.121	−3.512	0.001
IE	0.346	0.099	3.462	0.001
GDP	0.424	0.119	3.551	0.001
FDI	0.010	0.018	0.568	0.570

LSDV R^2 : 0.998, F -statistic (37, 158): 3171.963 ($p = 0.000$), Durbin–Watson statistic: 0.545, No. of observations: 196.

Based on the DW test (DW test = 0.545094), the occurrence of serial autocorrelation in the perturbation terms is seen. This result shows that the dynamic panel model GMM must be considered to create efficient and consistent estimators.

Table 3 shows a new estimation using the GMM. The findings specify that the null hypothesis about the absence of second-order autocorrelation in the errors ($z = 0.842565$, $p = 0.3995$) must not be disregarded. On the other hand, the Sargan test confirms the lack of correlation involving the perturbation term and the instruments [$\chi^2(14) = 17.8359$, $p = 0.2144$]. Thus, the instruments used in the estimation must be validated. Furthermore, the joint significance of the explanatory variables is verified, according to the Wald test [$\chi^2(11) = 907.978$, $p = 0.000$], as well as the significance of the lagged dependent variable BTS ($t = 2.684$, $p < 0.001$) and the explanatory variables GE ($t = 0.225783$, $p < 0.01$) and IECS ($t = 0.148312$, $p < 0.01$).

Table 3. GMM estimation results (2013–2019).

Variable	Coefficient	Standard Error	<i>t</i> -Statistic	<i>p</i> -Value
BTS(-1)	0.766	0.094	8.076	<0.001
CI	0.046	0.039	1.168	0.242
LTS	0.087	0.127	0.691	0.489
RQ	0.013	0.039	0.340	0.733
RL	−0.180	0.132	−1.363	0.172
PS	−0.005	0.065	−0.088	0.929
GE	0.225	0.071	3.165	0.001
PPP	−0.055	0.095	−0.579	0.562
IE	0.148	0.057	2.590	0.009
GDP	−0.103	0.206	−0.501	0.615
FDI	0.013	0.020	0.684	0.493

Autocorrelation—AR (2): $z = 0.842$ ($p = 0.399$), Sargan (d.f.): $\chi^2(14) = 17.835$ ($p = 0.214$), Wald test: $\chi^2(11) = 907.978$ ($p = 0.0000$), No. of observations: 140, No. of instruments: 25.

In interpreting the results presented in Table 3, it should be noted that, as expected, the positive sign of the estimated coefficient for the GE variable and an elasticity value (0.22) highlights the importance of government effectiveness for the growth in spending on tourism of business. Additionally, the relevance of IECS is noteworthy—that is, the country's degree of openness to trade, which shows a positive elasticity (0.14). Importantly, the results of the estimates align with work carried out by some scholars (Crouch and Ritchie 1998; Hankinson 2005; Park et al. 2014; Cró and Martins 2018) concerning the significance of the GE variable, and with the results from Kulendran and Witt (2003) on the importance of the country's degree of commercial openness to increased business tourism. This means that the quality of basic infrastructure (e.g., road network, transport, electricity, water and sanitation system, basic education) satisfaction with the services provided by public organizations (e.g., public administration, education, health), in a climate of transparency, integrity, hospitality, and reduced bureaucracy, are key aspects in attracting business tourists and increasing their spending in European Union countries. Moreover, the GE variable requires countries to possess a highly developed telematics infrastructure as part of their basic infrastructure. This emphasizes the significance of various studies that have emerged from the impact of the COVID-19 pandemic (Xu et al. 2020; Ho and Sia 2020; Bukovska et al. 2021). On the other hand, commercial transactions between the Member States of the European Union generate flows of business travel between countries and are promoters of the participants' expenses in the countries where the meetings are physically held. However, it should be noted that these results contrast with the conclusions obtained by Carvalho et al. (2018) on business tourism spending, in a study carried out on a global scale. The results highlighted the relevance of private investment and FDI.

These findings also disclose that the lagged dependent variable BTS has a positive impact on business tourism spending, indicating that approximately 76% of business tourism spending is explained by the repeated behavior of meeting organizers, after positively obtained experiences and by word-of-mouth transmitted by previous tourists to the country. This finding corroborates the study carried out by Carvalho et al. (2018), mentioning that inertia enables growth in revenue from business tourism due to the permanence of

consumption behaviors of business tourists and the action of uncontrolled references in the countries of the European Union, aligning with the findings of several other researchers (Crouch and Ritchie 1998; Hankinson 2005; Carvalho et al. 2019).

5. Conclusions

Business tourism is one of the tourist segments that has been most severely affected by the COVID-19 pandemic, and in this sector technology, namely the availability of online tools and artificial intelligence, is becoming a fundamental criterion in location selection by business event planners. Thus, knowing the determinants that may influence demand in this tourist segment is vital, in a post-pandemic context, for economic agents and policymakers in the business tourism industry to develop more efficient marketing strategies and economic policies. For academia, the importance of business tourism should also not be overlooked, as it continues to represent almost a third of leisure tourism revenues and is expected to return to pre-pandemic levels by 2024 (GBTA 2021).

Thus, this study aimed to augment understanding of the determinants that can promote business tourism spending and the number of business meetings in the European Union, as no study has yet been carried out in this field. In addition, this work suggests practical implications, in a context in which new attributes, fundamentally technological, can be increasingly valued by consumers. The study comprised an analysis of secondary panel data from the 28 countries in the European Union between the years 2013 and 2019.

To establish the determinants of the number of business meetings in the European Union, a fixed-effects model was estimated. The results showed the importance in the degree of commercial openness—that is, the commercial relations established between countries—for increasing the number of international association meetings. In turn, to identify the determinants for business tourism revenue in the European Union, a dynamic model was estimated with panel data using GMM. According to the findings, business tourism revenues come from the inertia of tourists, specifically the continuity of their consumption behaviors, and word-of-mouth transmitted by visitors to the destination. The results also suggested that business tourism revenues could be stimulated through improved commercial relations between European countries and by increased government efficiency—that is, with quality public services as supporters for the hospitality of residents and general infrastructure—while stimulating economic activity and accessibility for visitors. Thereby, this study is particularly appropriate for two groups of players, namely academics and economic agents and policymakers in the business tourism industry.

5.1. Theoretical Implications

This article is relevant to the scientific community as it reflects the first empirical investigation carried out on the determinants of business tourism in the European Union. The results revealed that the determinants of the growth in business meetings, together with the revenues from business tourism in the member countries of the European Union, present differences in comparison with the determinants of business tourism in countries when analyzed on a global scale. This result indicates that the growth determinants of business tourism may vary depending on the region or economic bloc in which such tourism is situated; in turn, this enabled the identification of first-order (global-scale) determinants and second-order (European-scale) determinants. The findings indicate that the marketing strategies and growth policies implemented by economic agents and policymakers from member countries of the European Union must, firstly, take into account the growth factors for international association meetings at a global level, as presented by Carvalho et al. (2018, 2019), such as dynamism of economic activity, political stability, and absence of violence, along with FDI and private investment in tourism fixed capital, for strengthening business tourism income. Subsequently, the scientific community needs to be alerted that economic agents and policymakers in the European Union must develop marketing strategies and complementary growth policies, in the context of business and association meetings. Thus, European countries must consider the relevance of governmental effectiveness, promoting

the quality of infrastructure and public services as well as the degree of openness and commercial freedom of the country in the relationships within the European Union, to encourage the growth in business tourism spending. In addition, this study shows that international association meetings are also significantly influenced by the country's trade openness relative to the other member countries of the European Union. Thus, the relevance of commercial transactions between European countries in attracting international association meeting planners should be emphasized.

5.2. Managerial Implications

This work is relevant for economic agents and policymakers in the business tourism industry in the European Union, namely, national and local governments, destination marketing organizations, convention bureaus, professional conference organizers, and other business tourism companies. From the outset, they must recognize that the lethargy of the meeting organizers and their delegates is contingent on their positive past experiences and conveyed references. Consequently, they must view the quality of the service offered at the meeting location as a decisive aspect, raising the awareness of the various economic agents regarding the relevance of this determinant. In this regard, the following could be significant for improving the customer experience: the use of information technologies in equipment for business meetings, such as online tools, namely e-CRM and artificial intelligence (e.g., facial scan check-ins, robot delivery, and voice guest control) with permanent virtual technological infrastructure (e.g., mobile internet, 5G, blockchain, big data, and cloud computing) and room facilities with high technological service standards. Thus, policymakers should implement policies that promote investment in IT technologies by companies in the business tourism industry. Such policies could include providing tax incentives and subsidies for the acquisition of this technology. Additionally, it is crucial to integrate IT technologies into public equipment, particularly in facilities such as congress centers, business centers, and formalities centers, which are essential for hosting business meetings.

On the other hand, the governments of European Union countries must develop less protectionist economic policies to stimulate commercial transactions between countries inside and outside the European space. Measures that could be developed include setting lower customs fees on imports, signing more trade agreements between countries, and creating support programs for exporting companies to access new markets (financing lines and tax/labor incentives). Furthermore, governments of European Union countries must be aware of the importance concerning the quality of their governance in terms of investment in the public health system, general infrastructure (e.g., transport and sanitation services and communication systems), quality of public services, promotion of residents' hospitality through formal qualifications (e.g., investment in coaching in the areas of tourism and hospitality), investment in cultural and entertainment activities, and, above all, in high-performance technological infrastructure.

5.3. Limitations and Future Studies

The current study is also subject to several limitations; the number of observations obtained in this sample was small. If it were possible to constitute a larger sample spanning a longer period, this could improve the findings and lead to new assumptions in this area of knowledge. On the other hand, due to the COVID-19 pandemic, official organizations that provided the secondary data used in this study did not have statistical data available for the years 2020, 2021, and 2022. As a result, the pandemic period could not be included in the observed data panel. In the future, it would be worthwhile to examine whether the results obtained would be the same if these organizations were able to provide information regarding this period. Furthermore, this investigation is restricted to countries belonging to the European Union. This means that the implications of this study are only applicable to countries belonging to this economic space. Thus, in future studies using the same

methodology, the constitution of new samples with data from countries belonging to other economic blocs in the world context (e.g., NAFTA, Mercosur, and APEC) is suggested.

Funding: This work is funded by national funds through FCT—Fundação para a Ciência e a Tecnologia, I.P., under project reference no. UID/B/04470/2020.

Institutional Review Board Statement: Not applicable.

Informed Consent Statement: Not applicable.

Data Availability Statement: Not applicable.

Conflicts of Interest: The author declares no conflict of interest.

Notes

- ¹ This means that the time series includes determinants highlighted in the literature, after the start of the pandemic.
- ² Available at: <https://databank.worldbank.org/metadataglossary/world-development-indicators/series/PA.NUS.PPPC.RF> (accessed on 21 March 2022).
- ³ Available at: <https://wtct.org/Research/Economic-Impact> (accessed on 28 March 2022).
- ⁴ Available at: <https://data.worldbank.org/> (accessed on 21 March 2022).
- ⁵ Available at: <http://info.worldbank.org/governance/WGI/> (accessed on 28 March 2022).

References

- Aizenman, Joshua, and Ilan Noy. 2006. FDI and trade—Two-way linkages? *The Quarterly Review of Economics and Finance* 46: 317–37.
- Arellano, Manuel, and Stephen Bond. 1991. Some tests of specification for panel data: Monte Carlo evidence and an application to employment equations. *Review of Economic Studies* 58: 277–97. [CrossRef]
- Asteriou, Dimitrios, and Stephen George Hall. 2011. *Applied Econometrics*, 2nd ed. London: Palgrave Macmillan.
- Azman-Saini, Wan Ngah Wan, Ahamad Zubaidi Baharumshah, and Siong Hook Law. 2010. Foreign direct investment, economic freedom and economic growth: International evidence. *Economic Modelling* 27: 1079–89.
- Backman, Kenneth F. 2018. Event management research: The focus today and in the future. *Tourism Management Perspectives* 25: 169–71. [CrossRef]
- Baltagi, Badi Hani. 2008. *Econometric Analysis of Panel Data*. Chichester: John Wiley & Sons Ltd.
- Bernini, Cristina. 2009. Convention industry and destination clusters: Evidence from Italy. *Tourism Management* 30: 878–89.
- Borodako, Krzysztof, and Michał Rudnicki. 2014. Transport accessibility in business travel—A case study of Central and East European cities. *International Journal of Tourism Research* 16: 137–45.
- Bradley, Andrew, Tim Hall, and Margaret Harrison. 2002. Selling cities: Promoting new images for meetings tourism. *Cities* 19: 61–70. [CrossRef]
- Bukovska, Galina, Anda Mezgaile, and Andris Klepers. 2021. The pressure of technological innovations in meeting and event industry under the COVID-19 influence. *Environment Technologies Resources Proceedings of the International Scientific and Practical Conference* 2: 44–50. [CrossRef]
- Carvalho, Pedro, Miguel Ángel Márquez, and Montserrat Díaz-Méndez. 2018. Policies to increase business tourism income: A dynamic panel data model. *Journal of Convention and Event Tourism* 19: 63–82. [CrossRef]
- Carvalho, Pedro, Montserrat Díaz-Méndez, and Miguel Ángel Márquez. 2019. What determines the holding of association meetings in a global context? *Journal of Travel & Tourism Marketing* 36: 969–79.
- Chiang, Che-Chao, Brian Edward King, and Thu-Huong Nguyen. 2012. Information searching and the travel behaviours of MICE travellers: Across-cultural study. *International Journal of Tourism Research* 14: 103–15.
- Cró, Susana, and António Miguel Martins. 2018. International association meetings: Importance of destination attributes. *Journal of Vacation Marketing* 24: 218–33.
- Crouch, Geoffrey, and Jordan Louviere. 2004. *Convention Site selection: Determinants of Destination Choice in the Australian Domestic Conventions Sector*. Australia: CRC for Sustainable Tourism Pty Ltd.
- Crouch, Geoffrey, and J. R. Brent Ritchie. 1998. Convention site selection research: A review, conceptual model and propositional framework. *Journal of Convention and Exhibition Management* 1: 49–69.
- Davidson, Rob. 2019. *Business Events*. New York: Routledge.
- Draper, Jason, Mary Dawson, and Emma Casey. 2011. An exploratory study of the importance of sustainable practices in the meeting and convention site selection process. *Journal of Convention and Event Tourism* 12: 153–78. [CrossRef]
- Fernandes, Carlos, and Pedro Carvalho. 2017. Turismo de Negócios. In *Planeamento e Desenvolvimento Turístico*. Lisboa: Lidel, pp. 245–57.
- Global Business Travel Association (GBTA). 2021. From Setback To Surge: Business Travel Expected To Fully Recover by 2024. Available online: <https://www.gbta.org/from-setback-to-surge-business-travel-expected-to-fully-recover-by-2024/> (accessed on 26 May 2023).

- Hankinson, Graham. 2005. Destination brand images: A business tourism perspective. *Journal of Services Marketing* 19: 24–32. [CrossRef]
- Haven-Tang, Claire, Eleri Jones, and Cristina Webb. 2007. Critical success factors for business tourism destination. *Journal of Travel & Tourism Marketing* 22: 109–20.
- Ho, Jie Min, and Joseph Kee Ming Sia. 2020. Embracing an uncertain future: COVID-19 and MICE in Malaysia. *Local Development & Society* 1: 190–204. [CrossRef]
- Hofstädter-Thalmann, Eva, Jerome I. Rotgans, Noelia Aybar Perez, and Jonas Nordquist. 2022. Effective Learning in Virtual Conferences: The Application of Five Principles of Learning. *Journal of European CME* 11: 2019435.
- Hussain, Kashif, Jeetesh Kumar, Suresh Kannan, and Manisa Mohamed Nor. 2017. Investigating the size and economic value of the business tourist market in Malaysia. *Event Management* 21: 497–514.
- International Congress and Convention Association (ICCA). 2020. The Future of Global Association Meetings—The New Association Reality (Survey Report). Available online: <https://www.iccaworld.org/newsarchives/archivedetails.cfm?id=3048171> (accessed on 17 May 2022).
- Iwamoto, Hidekazu, Tokuro Matsuo, and Yasushi Sugiyama. 2021. An analysis of preferences of convention attendees in the time of COVID-19 pandemic. Paper presented at the 10th International Congress on Advanced Applied Informatics (IIAI-AAI), Niigata, Japan, July 11–16; pp. 684–87. [CrossRef]
- Jung, Shinyong, and Sarah Tanford. 2017. What contributes to convention attendee satisfaction and loyalty? A meta-analysis. *Journal of Convention & Event Tourism* 18: 118–34.
- Jung, Shinyong, Sarah Tanford, Yen-Soon Kim, and Carola Raab. 2018. A comparison of planners' site-selection intentions towards a sustainability reward program, location, and overall costs. *Journal of Convention & Event Tourism* 19: 286–312.
- Kaufmann, Daniel, Aart Kraay, and Massimo Mastruzzi. 2010. *The Worldwide Governance Indicators: Methodology and Analytical Issues*; Draft Policy Research Working Paper. Washington, DC: World Bank, p. 5430. Available online: www.govindicators.org (accessed on 28 March 2022).
- Keith, Head. 2007. *Elements of Multinational Strategy*. Heidelberg: Springer.
- Kim, Eunhye Grace, Deepak Chhabra, and Dallen J. Timothy. 2022. Towards a Creative MICE Tourism Destination Branding Model: Integrating Heritage Tourism in New Orleans, USA. *Sustainability* 14: 16411. [CrossRef]
- Kulendran, Nada, and Stephen Witt. 2003. Forecasting the demand for international business tourism. *Journal of Travel Research* 41: 265–71. [CrossRef]
- Lekgau, Refiloe, and Tembi Maloney Tichaawa. 2022a. Exploring the Use of Virtual and Hybrid Events for MICE Sector Resilience: The Case of South Africa. *African Journal of Hospitality, Tourism and Leisure* 11: 1579–94.
- Lekgau, Refiloe, and Tembi Maloney Tichaawa. 2022b. The Changing Nature of the Mice Sector In South Africa Due to COVID-19. *Tourism Review International* 26: 87–101. [CrossRef]
- Liang, Chuah Kun, and Hamrila A. Latif. 2018. Factors affecting attendees' decision-making in convention tourism industry. *Journal of Computational and Theoretical Nanoscience* 24: 4414–20. [CrossRef]
- Lloyd, Peter, and Donald MacLaren. 2002. Measures of trade openness using CGE analysis. *Journal of Policy Modelling* 24: 67–81. [CrossRef]
- Neuhofer, Barbara, Bianca Magnus, and Krzysztof Celuch. 2021. The impact of artificial intelligence on event experiences: A scenario technique approach. *Electron Mark* 31: 601–17. [CrossRef]
- Oh, Chi-Ok. 2005. The contribution of tourism development to economic growth in the Korean economy. *Tourism Management* 26: 39–44. [CrossRef]
- Oppermann, Martin. 1996. Convention destination images: Analysis of association meeting planners' perceptions. *Tourism Management* 17: 175–82. [CrossRef]
- Park, Jinah, Bihu Wu, Ye Shen, Alastair Morrison, and Yeung Kong. 2014. The great halls of China? Meeting planners' perceptions of Beijing as an international convention destination. *Journal of Convention & Event Tourism* 15: 244–70.
- Ragazou, Konstantina, Ioannis Passas, Alexandros Garefalakis, Eleni Zafeiriou, and Grigorios Kyriakopoulos. 2022. The Determinants of the Environmental Performance of EU Financial Institutions: An Empirical Study with a GLM Model. *Energies* 15: 5325. [CrossRef]
- Rogerson, Christian M., and Tom Baum. 2020. COVID-19 and African tourism research agendas. *Development Southern Africa* 37: 727–41.
- Roman, Michał, Josef Abraham, Arkadiusz Niedziółka, Ewa Szczucka, Lubos Smutka, and Piotr Prus. 2022. Tourist Attractiveness of Rural Areas as a Determinant of the Implementation of Social Tourism of Disadvantaged Groups: Evidence from Poland and the Czech Republic. *Agriculture* 12: 731.
- Seraphin, Hugues. 2021. COVID-19: An opportunity to review existing grounded theories in event studies. *Journal of Convention & Event Tourism* 22: 3–35. [CrossRef]
- Suwannasat, Jaruwan, Punthumadee Katawadee, Achara Chandrachai, and Pattarasinee Bhattarakosol. 2022. Site selection determinant factors: An empirical study from meeting and conference organizers' perspectives. *Journal of Convention & Event Tourism* 23: 209–39. [CrossRef]
- Var, Turgut, Frank Cesario, and Gary Mauser. 1985. Convention tourism modelling. *Tourism Management* 6: 195–204. [CrossRef]
- Wooldridge, Jeffrey M. 2012. *Introductory Econometrics: A Modern Approach*, 5th ed. East Lansing: Cengage Learning.

- World Travel & Tourism Council (WTTC). 2021. *Travel & Tourism Economic Impact 2021—Global Economic Impact & Trends 2021*. London: World Travel & Tourism Council.
- Xu, Jin, Lisa Ruhanen, and David J. Solnet. 2020. Analysis of The MICE Tourism Research in China in the Last Twenty Years. *IOP Conference Series: Earth and Environmental Science* 608: 012022. [[CrossRef](#)]
- Zhang, Hanqin Qiu, Vivien Leung, and Hailin Qu. 2007. A refined model of factors affecting convention participation decision-making. *Tourism Management* 28: 1123–27. [[CrossRef](#)]
- Zhylenko, Kateryna Mykolaevna, Svitlana Khalatur, Oksana Pavlenko, and Olena Pavlenko. 2022. Formation of Macroeconomic Indicators Under the Influence of MICE-Tourism. *Academy Review* 2: 249–66. [[CrossRef](#)]

Disclaimer/Publisher’s Note: The statements, opinions and data contained in all publications are solely those of the individual author(s) and contributor(s) and not of MDPI and/or the editor(s). MDPI and/or the editor(s) disclaim responsibility for any injury to people or property resulting from any ideas, methods, instructions or products referred to in the content.