

DEVELOPMENT, MANAGEMENT AND COMPETITIVENESS OF THE CITY OF KATOWICE, POLAND, AS A BUSINESS TOURISM PRODUCT

Ivan Kilimperov*, Dymitr Nowak

Agricultural University – Plovdiv

*E-mail: i.kilimperov@gmail.com

Abstract

Business tourism is one of the most profitable segments in the industry. Its attractiveness is due to three to five times higher revenues. This is due to the following factors: It is practiced by solvent people (businessmen, politicians, cultural figures, diplomats, researchers, etc.). They usually have higher requirements for the conditions and quality of the services offered, based on their lifestyle and belonging to the wealthier sections of the society. Business tourism is profitable given the fact that as a result of the meetings held in the country business contacts are established, foreign investments are attracted, variety of sectors of the economy are developed as a result of the agreements reached.

The aim of the article is to show the development of the city of Katowice and its place on the map of Poland as a tourist destination for business and congress tourism, as well as the vision of the city's competitiveness: innovation, improving the quality of service; improving the organizational structure of the destination.

Key words: tourism, business tourism, innovations, destination management, destination for business and congress tourism.

INTRODUCTION

Essence and importance of business tourism

The attractiveness of business tourism is determined by the high revenues it generates. It is practiced by business people, politicians, diplomats, researchers and employees of companies that have higher requirements for the conditions and quality of services offered, dictated by their lifestyle and their belonging to the richer sections of society.

Rob Davidson, an expert in the field of conferences and business travel, proposes the division of the terms "business travel" and "business tourism", which systematize the concepts and allow the exact use of the term "business tourism". It should be mentioned that for Davidson (Davidson R., B. Cope, 2003) the "business trips" are those trips whose purposes are related to the work or interests of the passenger, and thus are higher category. These include individual "business trips" and "business tourism", which he treats as group meetings (fig. 1)

The UNWTO, the United Nations agency, accepts the definition that in order for a meeting to be classified as a group meeting, the minimum number of participants should be 10.

It is also good to make a difference between a buyer and user of the service for business tourism. According Swarbrooke and

Honor (Swarbrooke, J. & S. Honor, 2001: 22), buyers of tourism services have the following main characteristics:

- 1) these are usually employers or other sponsoring organizations that decide (or authorize) the business trip of their employees;
- 2) may also be employers or other sponsoring organizations, bearing the travel expenses of their employees and / or representatives.

On the other hand, users of business tourism services are:

- 1) employees traveling on business and consume travel related tourism services;
- 2) employees and representatives of various enterprises and companies, who usually do not bear the costs related to the trip and the accompanying tourist services.

As a tourist destination for business and congress tourism, Katowice occupies an important place on the map of Poland.

The first mentioning of the village of Katowice appears in the records of Father Kazimierski, who visited the parish of Bogucice in 1598, yet the history of the town is determined by the fate of several much earlier Slavic agricultural settlements (dated in 14th and 16th centuries) and the blacksmiths established in its areas. Chronologically, the oldest settlement is the Dąb

(Oak), which is mentioned in a document from 1299, belonging to the monastery “Klasztor

Bożogrobców in Miechów, for several hundred years.”

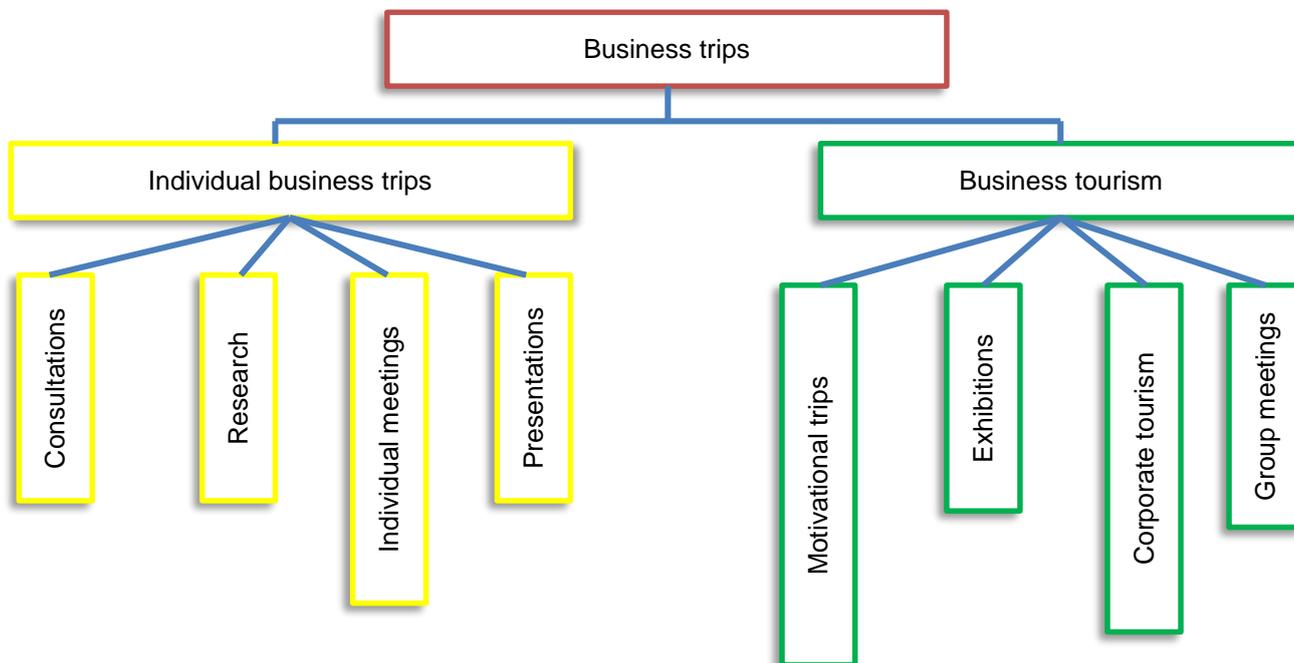


Fig. 1. Structure of business trips
Source: Davidson R., B. Cope, 2003

The stories about the other villages, equally important in the past, Bogucice, Rożdziej, Szopienice, Załęże, Ligota and Piotrowice are less elaborate. The specificity of the past of Upper Silesia, and hence of Katowice, is the lack of a dominant center and the simultaneous development of many separate economic, cultural and administrative centers, which later formed the urban organism. By the beginning of the 20th century, the city had undergone many transformations. In the first decade of the century, 1906-1907, a City Theatre was built in the Main Square of Katowice. The building was designed by the German architect from Cologne, Karl Moritz. Unfortunately, during the renovation of the building in the 1970s, the sculptural decoration of the facade was partially destroyed. In 1906, the expansion of the impressive railway station was completed. Unfortunately, nowadays it is not used for its original purpose. The outbreak of the First World War did not cause any damage or loss in Katowice, but rather contributed to the development of industry and created favourable economic conditions, especially for metallurgical enterprises. The population did not take an active part in the hostilities, but its active involvement in three consecutive Silesian uprisings between 1919 and 1921 and its support for the referendum on the region's affiliation were crucial for Katowice to join

the regained Polish state (20 June 1922). The city soon became the capital of the autonomous province of Silesia. (Hoffmann G., 2003).

MATERIALS AND METHODS

Business tourism is associated with the presence of the necessary tourist superstructure – high category hotels with the necessary facilities for various events and meetings, quality service, high level of administrative service, availability of large private conference halls, good condition of the infrastructure, presence of luxury restaurants, well-developed cultural calendar, natural resources and more.

The city of Katowice is a mining town, which in itself contradicts the basic requirements for the development of business tourism, but is one of the most important centers in economic terms for the country. On the other hand, the city of Katowice is not one of the most developed cities in Poland in terms of tourism. The main tourist attractions in the city also do not fully correspond to the notions of a destination for business tourism:

- Here is the largest zoo in Poland;
- Cathedral of Christ the King,
- the monument to the Silesian rebels;
- Spodek Sports and Concert Hall and others .

However, in recent years Katowice has gradually begun to develop as a destination for specialized types of tourism, in particular - for business tourism, and it can be argued that it has all the necessary prerequisites for this:

- the city is an important economic center for the country;
- the general infrastructure is in very good condition;
- accessibility to the city is at a high level – in Katowice has an airport, train station, bus station;
- tourism superstructure in the city is gradually renewed and acquires a modern look, meeting the requirements of tourists, in particular business tourists;
- there are a sufficient number of high category hotels;
- The city has a cultural, historical and architectural landmarks;
- the cultural calendar of the city is well developed.

All this puts the city in a better starting conditions for the development of business tourism. Moreover, in 2004, a new tourist development strategy was adopted in the Silesian Voivodeship, which included provisions defining business tourism as one of the main products of the region. This allows for very bold planning in the infrastructure of the cities in the region. At the beginning of the 21st century, a period of intensive investment and economic change began in Katowice. A number of organizational, cultural and infrastructural initiatives had been launched. One of the most common reasons for visiting Katowice is the participation in conferences and business events. The changes that have taken place in the development of the city in the last few years concern precisely the needs of the people who participate in the mentioned above events.

The communication infrastructure of the city is being improved, modern facilities, meeting rooms and hotels are being created. There is a growing activity of the local administration in promoting business tourism. Maintaining the direction of development of Katowice, makes the city a significant destination for conferences on the map of Poland and Europe. (Celuch K. & K. Cieřlikowski, 2014: 23).

RESULTS AND DISCUSSION

Development and management of the city as a tourist product

The product offered on the business tourism market (package of services, attractions, values) must meet the high institutional

expectations of customers. Due to these requirements, the venue of business events are mainly urban areas with good transport accessibility, with developed infrastructure in general in the area where there are hotels with a high standard of service (3, 4 and 5 categories), with many different conference rooms. Halls, universities, places for fairs and exhibitions, trade associations, active bodies of state administration and local government, as well as established multinational corporations and organizations. (Celuch K. & K. Cieřlikowski, 2014: 25).

In view of this, it should be emphasized that for many years Katowice has met all these criteria, and participated in the ranking of the most attractive city for investment in Poland, where it capitalizes on a leading position. It is worth emphasizing that business tourism has been developing here for several decades.

Katowice has universities known all over the world, thanks to the achievements of their scientific staff and the success of their graduates. These are the Silesian University, the Silesian Medical University, the University of Economics, the Academy of Music, the Academy of Fine Arts, the Polytechnic University, the University of Physical Education. Katowice has an excellent communication infrastructure for organizing large events. The city is located near the crossroads of 26 European routes and the A4 and A1 highways.

Within a radius of 100 km there are three international airports: Pyrzowice - Katowice, Balice-Krakow and Ostrava. The nearest (30 km from the center of Katowice) is the Pyrzowice International Airport (Pyrzowice), which serves more than 2.5 million passengers each year (<http://www.katowice-airport.com>). It is the airport with the highest altitude in Poland and guarantees the lowest number of foggy days in the year.

Further investment in the airport would contribute to better development of connections with the largest cities in Europe and the rest of the world. In Katowice, 3 km from the city center, there is currently a smaller airport designed to support the light air traffic used mainly by business and sports travellers. Communication accessibility for potential conference participants offers some of the best opportunities in Poland. The Silesian Voivodeship has the highest indicator and provides the best coverage of road connections and rail transport in the country. In addition, Katowice is located in the south of Poland, a region with the country's largest special economic zone (SEZ). The presence of the SEZ is key to attracting new companies. The tax breaks in the area have attracted 180 companies, which have invested more than 4 billion euros and provided more than

41,000 jobs. (Celuch K. & K. Cieřlikowski, 2014: 26).

The Katowice administration is highly regarded for maintaining good financial discipline and, in particular, for the best credit policy. According to research by the international rating agency Fitch (<http://www.pl.invest.katowice.eu>), the city's credit rating is rated "A" (stable outlook), which is viewed positively by investors. This is a favorable circumstance for the further development of the city's infrastructure and for the development of business tourism, by providing parking lots, access roads to conference halls and facilities, as well as future construction and repair projects.

The city also has considerable self-financing capabilities. According to the forecast, its capital expenditures in the period 2018-2020 should reach about 350 million euros, which represents 20% of total expenditures on an average annual basis. Approximately 60% of capital expenditures will be allocated to investments in road infrastructure and public

transport. Katowice's liquidity has been stable for several years in a row, which is a powerful rating factor.

The development of diverse sectors of the economy in Katowice is attracting an increasing number of investors, which favours the development of the hotel industry and contributes to the expansion and modernization of conference facilities. In December 2017, there were 22 hotels with 2,212 rooms. These hotels offer accommodation for 4,360 people. I enclose data from the research of Krzysztof Cieřlikowski, PhD from the University of Katowice (Table 1).

Visitors to Katowice can stay in 22 hotels with different categorizations (most hotels are four and three stars). Hotels of this standard have a total of 2,212 rooms, and 1,173 rooms (53% of all in the city) are located in 7 four-star hotels. It should be emphasized that the average number of hotel rooms in Katowice is over 100. This is significantly more than the average for Poland (about 54 hotel rooms).

Table 1. Accommodation options in Katowice

Category	Number	Number of rooms	%	Number of beds	%	Average number of rooms	Average number of beds
5*	1	108	4,9%	204	4,7%	108	204
4*	7	1183	53%	2343	53,7%	167,6	334,7
3*	7	328	14,8%	628	14,4%	46,9	89,7
2*	6	479	21,7%	937	21,5%	79,8	156,2
1*	1	124	5,6%	248	5,7%	124	248
Overall	22	2 212	100%	4360	100%	100,5	198,2

Source: Author's research

This means that hotels in Katowice are able to receive large groups of visitors while catering to a diverse standard of service. In addition, 13 hotels (59%) out of a total of 22 in Katowice are hotel chains with 1,662 hotel rooms (75%) in the city.

It should be noted that Katowice is in the central part of the Silesian Voivodeship (Silesian County) - one of the smallest in Poland. The capital of this district has good communication with the surrounding cities through public transport and excellent conditions for personal transport. Within an hour and a half by car you can reach almost any place and all hotels in the region. In the whole of the Silesian Voivodeship in 2017 there were 223 hotels with a total of over 11,500 rooms.

There are many centers in Katowice suitable for hosting business events. The largest of them are: International Congress Center and

"Spodek" Multifunctional Hall. Together these two buildings, connected by an underground passage, can accommodate 25,000 people.

For big events and an increase in demand, the hall of the National Symphony Orchestra of the Polish Radio (NOSPR) in Katowice, the new headquarters of the Silesian Museum, the modern multifunctional building of the Faculty of Law of the Silesian University and many others can be adapted, as each of these venues can accommodate several hundred visitors. The changes in Katowice in recent years, including the reconstruction projects initiated in the city center, are becoming leading investments in the region and are increasingly important for the positive economic and social changes in the city.

Some of the major events taking place in the city are: the World Climate Summit - COP 2018,

which includes 24 sessions of the Conference of the United Nations Framework Convention on Climate Change (COP 24) and 14 sessions of the Meeting of the Parties of the Kyoto Protocol (CMP 14), held in Katowice from 3 to 14 December 2018.

Every year the multifunctional "Spodek" hall hosts the Intel Extreme Masters — World Championship in computer games, which according to data for 2017 has attracted a global audience of over 178,000 fans.

Katowice will host the World Anti-Doping Congress in 2019, a seminal event in the global anti-doping policy. The city won the bid, outcompeting rivals such as Geneva and Oman's capital, Muscat. These events are achievements in the development of business tourism and contribute to various areas of socio-economic development of Katowice, as well as the visibility of the city on an international level.

Competitiveness of the city as a tourist product

With regard to tourism, innovations are any changes in the structure, organization of management, tourism infrastructure, tourism product, supply and demand and preferences that are perceived by people, the subjects of the tourism product as new, and better than before. The main attribute of innovation is the creation of a new quality in its practical application.

One of the factors influencing the innovation of travel companies is the adept use of available sources of innovation, such as: suppliers, customer touchpoints, competition, human resources, consultants, legal regulations, etc.

The tourism industry in Katowice largely benefits from the specific measures set out in the 2030 Strategy - a framework document adopted by the City Council of Katowice, developed in collaboration with widely represented scientific and public circles and business organizations, for the strategy and development goals of the city. . Among them the most important are:

- metropolis (establishing and strengthening the functions of the city as a center of an agglomeration of 2.3 million inhabitants);
- transport and city logistics;
- quality of life;
- entrepreneurship and economic development;
- enriching the offer of business tourism in Katowice, by organizing large events and routing the congress sites with sites of cultural and post-industrial heritage.

The notorious in Europe "Road of Monuments of Technology" also passes through the territory of Katowice, which increases the recognition and competitiveness of the city as a

tourist destination.

The Route of the Monuments of Technology is the only one in Central Europe belonging to the prestigious European Route of Industrial Heritage, grouping the most significant monuments of the industrial era of the Old Continent (European Route of Industrial Heritage).

The route includes several sites in the city:

- Wilson Shaft Gallery;
- Giszowiec housing estate;
- Nikiszowiec housing estate;
- Museum of Zinc Metallurgy – Rolling mill;
- Zawada Water Supply Station.

The first and one of the most memorable sites along the route is the Wilson Shaft Gallery (fig. 1).



Fig. 1. Wilson Gallery

Source:

<https://www.zabytkitechniki.pl/Poi/Pokaz/1714> - Szlak Zabytków Techniki

Located east of the city center of Katowice, Janow, is Poland's largest private art gallery with an exhibition area of almost 2,500 square meters, located in the former buildings of the mine with more than 180 years of history called "Wilson-Wieczorek.

In the post-industrial environment, contemporary art by mostly young authors is presented. The space hosts performance art and concerts, theatre productions, photography exhibitions, conferences and festivals.

The inclusion of this route, as well as other similar already established sites in the cultural program of the city will inevitably establish its image as a tourist destination.

The route is also of interest to business tourists, because of its specificity, and considering the rest of the tourist superstructure of the city and its abundance of cultural, historical and architectural sites, a significant increase in the

competitiveness of Katowice as a business tourism destination can be expected.

CONCLUSIONS

In conclusion can be drawn the following main conclusions of Katowice as a destination for business tourism:

- the city is an important economic center for the country;
- the general infrastructure is in very good condition;
- accessibility to the city is at a high level – Katowice has an airport, train station, bus station;
- tourism superstructure in the city is gradually renewed and acquires a modern look, meeting the requirements of tourists, in particular business tourists;
- the city has the necessary natural and anthropogenic resources for the development of business tourism;
- there are a sufficient number of high category hotels;
- there is a tendency to increase the incoming tourist flows for business tourism;
- Katowice gradually established itself as a destination for business tourism in Poland;
- It can be expected that the competitiveness of the city as a destination for business tourism will increase;
- due to its specificity, The Route of the Monuments of Technology is an important factor in establishing the city as a destination for business tourism.

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