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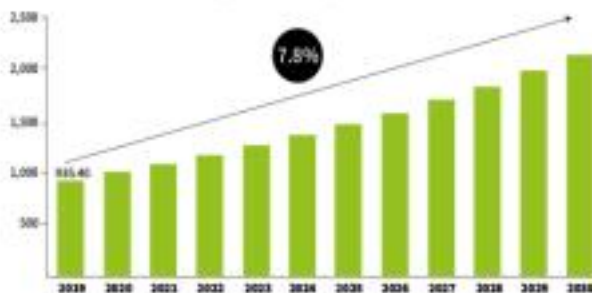
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Business Travel Matters

by Nikhil Bhusal

1.2 trillion dollars. That's how much the worldwide business travel contributes to the tourism sector's global GDP. It has a one fourth share in the travel tourism sectors overall economic growth. In fact, the creating and developing markets have experienced higher levels of development in commerce travel at 3.7% per annum over the past few years. The MICE segment worldwide was on track to hit \$2100 bn by the year 2030, however the numbers will now have to be revised post covid.

Global MICE industry revenue, 2019-2030 (USD bn)



Courtesy of The Federal

The travel and tourism sector in India is one of its largest and growing sectors. It is driven by the culmination of multiple aspects including globalization, the increasing income levels, global expansion of business institutions, the support of the government in terms of policies, etc. As a result, business travel has emerged as a rapidly growing industry.

Add to this, the fact that India's flourishing middle class and solid economic growth (at least up until Sars-Cov 2) will be the cause for the demand of travel throughout the year. This data from American Global Express Business travel forecast is consistent with a report from the Global Business Travel Association

(GBTA) showing that the annual growth was almost at 12% of India's business travel spend. This being the highest rise among the top business travel markets worldwide.

What is also interesting to see is how the country has grown significantly over years with the onset of flexible staffing, better benefits for employees, advances in technology, artificial intelligence and automation, stronger policies and more. Westernization can also be included in the discussion in terms of how India is now beginning to see, understand and simulate how other, more advanced countries are behaving. In India, travel can be seen as an indicator of success. A status symbol of sorts. The continent being the first threshold and then international travel which radiates more prominent reputation.

Speaking of outbound travel, India's MICE travel sector is estimated to grow at 22% per annum, giving rise to approximately 30 million international travelers by the year 2030. Indian MICE travelers have a tendency to be accompanied with spouses or children on these trips and/ or combine them with leisure.



Courtesy of Shutterstock

For all business travelers however, it is necessary to have a comfortable accommodation. The last thing you would need after having a stressful day is to worry about the quality of your bed. Not only your bed but other aspects too, which have been considered as the most important amenities to look

for in a business hotel. For instance, functional workspace, meeting space, fitness options, dining options, stronger Wi-Fi, etc. Hyatt hotels are commonly ranked at the top for business travel for their extraordinary service and amenities. Marriott hotels are well known for their amazing food options, staff and convenient locations. The courtyard hotels are practical, providing the guest with exactly what they need. Nothing more, nothing less. Simple and clean. Breakfast, high-speed Wi-Fi (Free! Might I add) and a simple gym. Their rates are competitive by cutting out unnecessary services such as room service and bellhop help.

Embassy suites, like courtyard hotels, are known for being business-friendly by offering free high-speed internet, breakfast, gym facilities and a 24 hour business centre.

Though all these amenities and services are important, it is also essential to remember that hospitality is still key. So while it is a nice touch for business travelers to check in and out with their smartphones, hotels still need to make their guests feel like VIPs. Hilton and Marriott hotels are providing guests with the options to make several “on demand” requests through their phone applications, which can offer a sense of personalization. Hilton is also highly appreciated by the corporate world for their innovative work spaces by having amenities such as a projector, flip charts, markers, food and beverage services, etc.

CitizenM, the luxury boutique hotel brand says it perfectly on their website “We realize that when at home, you mostly use the bedroom for sleeping and hang out in the living room and kitchen instead. So we cunningly designed our lobby to feel like a comfy, inviting and homey living room instead.” An article by Atlas states that several hotels have been adding fitness equipment into regular guest rooms. This makes it easy for those travelers who struggle to get their workouts in. MICE travelers being a big chunk of guests especially during the event season, these hotels are going the extra mile to accommodate such travelers. The hotels recognize that due to the growing economy the country will be seeing more and more similar guests.

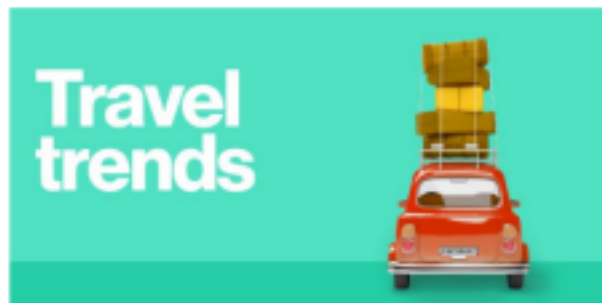
Business Travel Trends

The business travel sector has been having several changes and trends, especially since the COVID-19 pandemic. A few of the most important are discussed below. Firstly, “bleisure”. Business and leisure travel have become the new and exciting perks of the corporate world. Many of the younger generation see travelling for personal or professional reasons as valuable which results in increased job satisfaction. Travel can be seen highly motivating to the new corporates as seen in Hilton resort and spa’s survey done in March of 2018. It revealed that a large number of the respondents feel more excited about their job after travelling as seen in the chart below. Since the youth are going to be the future of the corporate world, it is safe to say that this trend will stick around for quite some time.



Secondly, simplification. Simplifying a business traveler’s day and stay at the hotel is now a high priority. Decrease the external stress factors so that the employees can focus on what they need the meetings, events and whatever else they need to do. It makes sense. According to the ACTE (Association of Corporate Travel Executives), benefits of simplification include “improved traveler satisfaction, reduced cost, and time saved”. The 2017 survey also reported that 72% of travelers indicated that simplification would be of high priority, as it can result in higher productivity output. Technology has and will continue to play a major role in this sector. TripAction is an example where the ability to handle issues during the travel can be fixed quickly. The AI based platform allows for travelers to contact and alert the teams agents, and deal with the issue in a matter of minutes rather than hours. Only so much is

within the control of the company. External factors such as flight delay are not. The ability to predict and handle such issues promptly is what needs to be looked into.



Courtesy of LaAlegria

Thirdly, putting employees first. The upcoming trend of investing in your employees is seen in several companies. It is now becoming more and more common as managers are beginning to understand the positive output of keeping employees happy. Chief Financial Officers keep their eyes peeled when it comes to budgeting and now companies are understanding the advantages of broader investments in their employees' business trips. The findings of a Harvard business review article from 2017 stated that the companies who put their staff first are 4.2 times more profitable than the ones who do not.

Businesses seem to be able to understand the importance of business travel and the effects it has on its employees. By improving business travel, companies see a significant positive output in terms of success for the company. These trends, though at a halt temporarily, will eventually find its way back and continue on its track, especially with the Indian economy expanding the way it is.

Though zoom, google and Microsoft have done a great job trying to replicate the experience of a face to face conversation, it just isn't the same. Managers and recruiters will second this statement, reasoning that building relationships, reading body language, working out the finer details of negotiations, etc. just cannot be done through the screen.

Even Steve Jobs, the founder of Apple, famously said, "Creativity comes from spontaneous meetings, from random discussions"

Thus reiterating the need for in person chats. A study from the University of Iowa found that the handshake, a simple gesture, released oxytocin in the brain. This aids in building rapport and trust between clients and strangers, a critical aspect of the job.

The biggest customers that you have, if they want to have a face-to-face: will you go? Of course you'll go - Susan Liechtenstein

Not only in terms of keeping guests happy but also according to a study by Oxford Economics forecasting firm, for every \$1 spent on business travel resulted in \$12.50 income. So you can see the upsides of in person meetings.

So How Important Is Business Travel?

Now even though we have established that travel is important for businesses, COVID-19 has brought that to a halt. Bringing it back to normal, or the "new normal", will take a while and is not going to be easy. The value and the need for business travel will be questioned. Virtual meetings are simple, quick, can be done anywhere. 82% of Indian travelers claimed they required a personal leave to recover from a business trip, according to a study conducted by Collinson. This is clearly avoided with online conference calls. Therefore, there is going to be speculation in terms of how necessary business travel is.

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