

US business travellers anticipate more trips in 2011

NEW YORK, US: Business travellers are anticipating an increase in corporate travel for 2011 - welcomed boost in customer demand for the hospitality and travel sectors - according to a new survey from Deloitte.



By the end of 2011, 80% of business travellers surveyed predict they will take more or the same number of business trips than they did in 2010, with a similar number (79%) of respondents indicating that they will also spend more or the same. When asked how their 2010 travel levels would net out, the majority of these business travel survey respondents (71%) said they anticipated taking more or the same number of business trips. Only 29% of business travellers expected less travel in 2010.

"The travel industry was not immune to the economic slowdown, but the confidence demonstrated by business travellers who responded to our survey suggests a brighter outlook for the industry as a whole," says Adam Weissenberg, vice chairman and tourism, hospitality and leisure sector leader, Deloitte LLP.

Travel expenses closely watched

Due to the recession, 72% of survey respondents had monitored their business travel expenses in various ways this past year. In particular, business travellers said they had cut back on overall travel costs (37%), reduced the duration of their trips (33%), or spent less on food/restaurants (32%). More than one in five (21%) booked less expensive hotel rooms.

Additionally, nearly three out of five, 59%, of respondents whose companies had corporate travel policies felt the guidelines were now more strictly enforced. Among the top five guidelines noted by respondents, pre-trip approval for business travel (50%) was the top company guideline mentioned. Among guidelines related to hotels, 42% of business travellers said their company guidelines currently covered booking accommodations in advance, and 32% said the guidelines gave dollar spending limits for accommodation.

Amenities and technology key differentiators

The Deloitte survey found that the overall hotel experience is important to a majority of business travellers. Roughly two-thirds of respondents said they often work in their room (68%) and they also expect a lot more from a hotel than just a clean room and comfortable bed (65%). Further, almost four out of five respondents felt that high-speed Internet (79%) and free parking (77%) were important amenities to them when staying at a hotel for business. A core group of business travellers (30%) felt their favourite hotel brand was so important to them that they would stay at that hotel brand even if it were not in the most convenient location. This loyalty was highest among those earning US\$150,000 (about R1.05 million) or more.

"Consumers are more value-conscious than ever and have been conditioned to expect more for their money after a steady diet of recession-era deals. The tipping point for hotels to differentiate their brand offering to strengthen loyalty among the post-recessionary business traveller will be providing additional complementary services and amenities tailored to their guests' specific needs," said Weissenberg. "Beyond

traditional incentives, hotels are realising the importance of developing their online presence, particularly on mobile platforms, to capitalise on a crucial touch point for brand communication."

Roughly half, 48%, of survey respondents owned a web-enabled smartphone. However, business travellers who are 18 to 29 years old, or with an income of more than \$150 000 (about R1.05 million), were far more likely to own one (84% and 63%, respectively). Among smartphone owners, more than one-quarter (26%) have downloaded a hotel application and have used it primarily to book a room (54%).

Interestingly, general-purpose travel websites did not appear to be regularly used by business travellers for booking accommodations. Only 31% used such sites always/frequently, 31% used them occasionally, and a larger 38% stating they never use these sites for reserving a hotel room for business travel.

About the survey

The survey was commissioned by Deloitte and conducted online by an independent research company between 10-14 September 2010. The survey polled a nationally representative sample of 1001 business travellers and has a margin of error of +/- 3 percentage points.

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