

The Return of the Traveler

Business travel is back
in high gear but with
different perspectives
and great expectations

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Payments innovations
in the “New World
Order” of travel

Reinventing the Stay

Hoteliers are responding
to shifting trends in
business travel

Tipping Point for AI

The biggest changes
are still ahead

Chauffeured Rides: The Next Generation

Executive transportation
is resonating with
a new wave of
business travelers



Reinventing the Stay

Photos: Canopy by Hilton



Hoteliers respond to shifting trends in business travel – and a more demanding business traveler

By Harvey Chipkin

The hospitality story of the last two years is that business travel has changed – and hotels have responded by reimagining the stay. “How we travel for work has really transformed over the last few years,” says Christiane Cabot-Bini, vice president, global business travel sales for Hilton. “The industry is responding to accommodate new business travel ‘norms’ that are not fleeting trends, but instead long-term shifts.”

Few people have had as much impact on the modern hotel industry as Ian Schrager, a pioneer in the development of boutique hotels among other creations, including his most recent Public brand. He believes that as they continue to evolve, hotels must keep business travelers in mind because “they are the backbone of the industry, and you can’t have a viable hotel business without them,” Schrager says. “They want the same kind of elevated experiences as anyone else. Do you need a desk in the room? Maybe not. Do you need a communal work area? Probably.”

Hilton’s 2024 Trends Report found that 46 percent of global full-time and self-employed workers plan to blend business with leisure travel. Additionally, more than a third of Gen Z and Millennial business travelers say they plan to extend a business trip to enjoy leisure time before or after their work obligations. The report also reveals the top reason people want to travel in 2024 is to rest and recharge. With an increased focus on personal health routines over the past few years, Cabot-Bini says there is a growing movement to incorporate opportunities to infuse wellness into the professional sphere. For instance, it’s important to allow business travelers and meetings attendees downtime, which could be spent engaging with other travelers, taking a walk, fitting in a workout or enjoying a spa treatment.

Although hybrid work has declined from its post-pandemic high, the average American worker generally spends fewer days in the office than pre-COVID, according to Zach Demuth, global head, hotel research, JLL, the global real estate services company. As a result, Demuth says, hotels now have more opportunities to compete for business, particularly since “work from anywhere” is more easily attainable.

When you look at day-of-week occupancies across the major urban markets, Demuth notes, there has been meaningful growth in both Thursday and Sunday nights, which suggests business travelers are now either arriving early or extending their trip to include a leisure component. The push for wellness, he says, is not necessarily unique to business travelers but is definitely a salient trend as travelers want to continue their at-home routines while on the road.

Sade Lee, vice president of sales and marketing operations for Sage Hospitality, says the management company is seeing booking behaviors change this year; business trips are longer in length and more infrequent. There's also a "work from anywhere" mindset that has shifted the relationship with hotels. On any given day, says Lee, you will see business travelers working from lobbies, rooftops and restaurants.

From a travel management perspective, John Keichline, CEO of Reed & Mackay North America, says his firm "is seeing a lot more requests on blended travel from our clients, and we've even received requests for proposals that include questions on bleisure."



There's a benefit to travel managers supporting it, he says, so that "travelers can prioritize their mental health with an opportunity to overcome jet lag, adjust before meetings or wind down after a busy work week."

Ready to Respond

With all these changes, how are hotels responding? Thanks to technology, long-promised benefits might be at hand – such as a hotel genuinely knowing the preferences of a guest, says Richard Valtr, CEO of Mews, a hotel technology provider. If a traveler has had prior experiences with the brand, he explains, the system will automatically be aware of those preferences.

When a guest checks in, they are expecting the hotel to be good at technology "because they have a tech powerhouse in their pocket," Valtr says, adding that even if it's an eight-hour experience at a limited-service hotel, "you want things to work

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well." While those promises have long been made, Valtr maintains, the execution has been inconsistent at best.

The expectations around business travel have changed, agrees Branigan Mulcahy, COO of Virdee, another technology provider that automates many hotel functions. He says travelers are now used to experiences like those provided by Uber and Lyft and paying with Google Wallet or Apple Pay, and hotel apps are headed in that direction.

During the stay, says Mulcahy, it's easier to ask for more towels or a late checkout through an app than calling the front desk. From the hotel's point of view, he says, there are also upselling possibilities through the app.

Cabot-Bini says Hilton has responded to business travelers' changing attitudes with key amenities that make the stay as comfortable and relevant as possible for extended bleisure needs. This includes welcoming guests by name on the TV and allowing them to control in-room technology using the Hilton Honors app on their phones.

Sage "is transforming the way we think about and engage with our business travelers," Lee says, including collaborating with travel advisors to create curated itineraries for business travelers that include restaurant recommendations, local attractions, upcoming sporting and concert information. It's clear, says Lee, "that travelers crave more than just a place to crash. They're looking for hotels with personality, a story, somewhere that connects with their interests. They want to feel a sense of place, the local 'vibe,' while still having some flexibility. If they're away from home for a few days, they want to make them count."

Schrager agrees that communication through an app is superior because it reduces the potential for human error. When it comes to the transaction side of hotels, he says, "every single thing should be done with technology." There had been concern about eliminating the need to check in at a front desk, "but operators realized guests want to get to their room as soon as possible," he says.

In typical Schrager style, he says his Public brand "is responding to an oversaturated, overpriced market of wannabes, replicas and 'design on steroid' hotels that have no distinct vision or nothing much to say, if anything."

Schrager believes big changes are happening in food and beverage, trends that are moving faster than he had anticipated because of increased labor and other costs. Hotels will be moving more and more to grab-and-go options, he says, but at the same time with food that is even better and more sophisticated.

Even in restaurants, there will be fewer choices and a lot more use of technology, says Schrager, not through gimmicky solutions like robot food servers, but by having all transactions – ordering, delivery and reservations – done in a friction-free manner. AI, says Schrager, “is the frontier,” adding that the technology “is the most exciting thing to come along, but we have to figure out how to use it,” and will eventually replace tools like frequently asked questions on the hotel website with an AI assistant.

“Our guests are tech-savvy and flexible, already exploring these tools,” says Lee. “We shouldn’t be afraid to jump in too. But remember, tech should be there to make things easier and smoother, not replace the human touch.”

Having a fitness center or meditation room is now “table stakes,” according to Adam Gollance, president of Modus Hotels, a developer and operator of lifestyle hotels. The next generation of wellness, he says, will feature sleep wellness, sleep therapy, enhanced excursions, etc. What the company hears most from travel managers, he says, concerns sustainability – EV chargers, green products and sustainable practices.

The proliferation of boutique/lifestyle hotels showcases that there has been a fundamental shift in what guests are looking for, says Gollance. There will always be travelers chasing loyalty points, but another type of traveler is looking for unique experiences, he says, a trend that’s also reflected within the big brands, as “soft brands” like Marriott’s Autograph and Canopy by Hilton dominate the pipelines of those operators.

Full Speed Ahead – Deliberately

With change happening so fast – and so unpredictably because of the uncertainties of the impact of AI – what can travelers expect of their accommodations in coming years? With all that gee-whiz innovation, says Demuth, the industry needs to first cement the basics. Consistent WiFi, tech-enabled rooms, and easy access to business centers, he says, “should not continue to be a question; they really are just the foundation, and hotels cannot afford to miss the mark here.”

Travel managers have a different priority when it comes to blended travel, says Keichline. They need clarity on potential risks and billing. Is there a risk involved if employees travel for work but extend their stay for leisure? What portion of the trip does the organization pay for? Reed & Mackay, he says, recommends that travel managers have a clear definition of their internal policy on bleisure that involves all stakeholders within

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The Road Beckons

A large majority of business travelers expect to be on the road the same amount or more often in 2024 versus 2023, according to the 2024 Internova Index: North American Business Traveler Insights. And nearly one-third include blended travel in their plans.

85% of business travelers expect to travel as much or more in 2024 versus 2023

30% of business travelers say they combine leisure with business travel

Source: Internova Travel Group

their organization from HR to finance and legal.

Thoughtful adoption of AI to power back-end processes will be a key differentiator, says Demuth, particularly as hotel demand likely normalizes over the medium to long term, and hotels will need to ensure that non-revenue-impacting costs are mitigated. This starts with ease of booking, particularly for business travelers. As the corporate traveler generally becomes younger, he says, this extends to increased tech connectivity (food and beverage ordering, in-room entertainment, etc.).

Bjorn Hanson, adjunct professor, New York University’s Jonathan M. Tisch Center of Hospitality, says travel managers will need to act as “advocates” for business travelers rather than maintaining their former perceived role as enforcers who control costs and arrange contracts favorable to the organization. There will have to be more communication about the need for travel and what travel managers are doing to be supportive, Hanson says. They may even consider contributing to the cost of additional person stays and/or stayovers.

Travel managers, says Valtr, “will be able to differentiate themselves by doing more with their tech stack,” adding, “They will want to be continuously informed that their customers are being taken care of and their requests being carried out.”

One Virdee option, says Mulcahy, which is already being deployed in a company in the UK, is a remote assistant tool where 20 properties are handled by video chat rather than front desks. While 95 percent of check-ins are automated, the small remainder of guests might have an issue and will get routed to a remote agent.

Schrager also sees a shakeout in the number of brands, with the industry breaking down into two segments: defined service (which the industry often calls limited or select service, terms Schrager dislikes) and super luxury. He says that while his hospitality career has spanned 50 years, he still loves the creativity and shaking up the status quo. “I like to surprise people and astonish people. I want people to walk in and be blown away.”

As the business traveler and travel manager reinvent themselves, the hospitality industry as a whole will indeed need to surprise and astonish if it is going to “blow away” an increasingly demanding customer. ■