



Preferences and Changing Needs of Business Travellers

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**ABSTRACT**

There has been changing paradigms of business travel in recent times and reveals the dynamic nature and evolving demands. Many people view business travel as being closely aligned to professional and personal development such as to experience different cultures, convenient travel, on time flight. The Business traveler is very particular about the time as a late arrival could mean a missed business opportunity.

The purpose of this paper is to understand the preferences and changing needs of Business Travellers and how they are different from Leisure Tourists in terms of motivation and behavior.

**KEYWORDS** : Business Travel, Preferences

**Introduction:**

Business Travel is primarily concerned with Business activities. UNWTO defines tourists as people "traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes".

International Business Travel has grown by many manifolds in the recent years as a result of globalization of the world economy. ).Business tourism can be divided into:

- a. Traditional business traveling, or meetings - intended for face-to-face meetings with business partners in different locations
- b. Incentive trips - a job perk, aimed at motivating employees (for example, approximately a third of UK companies use this strategy to motivate workers)
- c. Conference and exhibition traveling - intended for attending large scale meetings. Primary destinations are Paris, London, Madrid, Geneva, Brussels, Washington, New York, Sydney and Singapore.

The words Meetings, Incentive, Conferences and Exhibition in the context of business tourism are abbreviated as MICE. Business Travel is a more limited activity, focused activity. The reason we are declaring it as limited in a sense as it covers a small proportion of a population and limited because motivation and flexibility is constrained by the employer. MICE is of paramount importance and considered to be an integral part of the Tourism Industry since in monetary terms it is of high value and earns the hoteliers, caterers and transport companies a significant income. Business Tourism in the long run stimulates future inward investments as the Business Travelers also visits the attractions of a destination while traveling for Business Purpose or attending a conference, exhibition, incentive and then return again to establish Business operations there.

Business Travelers can in the long run turn into ambassadors for the destination by communicating to their colleagues about their positive experiences about a particular destination. This form of Tourism compliments the leisure tourism sector relying much on the same infrastructure and bringing business to the destinations. There has been changing paradigms of business travel in recent times and reveals the dynamic nature and evolving demands. Many people view business travel as being closely aligned to professional and personal development such as to experience different cultures, convenient travel, on time flight. The Business traveler is very particular about the time as a late arrival could mean a missed business opportunity.

According to (Middleton,Clarke,2001) business travel is defined as work related travel to an irregular place of work .According to

Swarbrooke and Horner(2001) business travel represents the practice of people travelling for purposes related to their work. Pender(2005) defines a business traveller as a traveller whose expenses are paid by the business he works for.

**Scope of the Study Area**

If we analyze the data we witness an upward trend in terms of arrivals in case of Business Travellers.

	International Tourist Arrivals(million)					Share(%)				
	1990	2010	2013	2014	2015	1990	2010	2013	2014	2015
Total	437.8	940	1087	1133	1186	100	100	100	100	100
Leisure, Recreation and Holidays	243.5	480	565	600	629	55.6	51	52	53	53
Business and Professional	60.4	141	163	159	166	13.8	15	14	14	14
VFR,Health,Religion, Others	86.0	253	293	306	320	19.6	27	27	27	27
Not Specified	48.0	65.8	76	68	71	11	7	7	6	6

**UNWTO World Tourism Highlights**

Business Travel is growing at a rapid speed and in recent times the phenomena of globalization has given further momentum to it. There has been international cooperation in the various arena of business and industry fraternity and has established a base where people representing it can come together for collaborations, deliberations and exchange of ideas. Business activities are on the rise as there are no geographical boundaries and barriers between the Occident and the Orient.

Many economies with the intention of attracting more tourists have developed modern state of the art convention and conference centres with world class amenities for business meetings, seminars, workshops. Hotels are also not far behind as they have also developed modern convention and conference facilities for the Business Travellers in particular as this segment of tourist is increasing by leaps and bounds and they have to be catered with minute details and attention as their preferences and needs are changing and if they can tap this particular segment their objectives are more or less achieved.

**Analysis of the Preferences and Changing needs of Business Travellers**

Who is a Business Traveller and what are his needs?

Since long the researchers are trying to understand the tourist behavior and lot of literature has been published on the tourist motivation. A lot of research has been published done by academicians and research bodies and consultancies regarding

Tourist Behaviour but when it comes pertaining to the Business Traveller it is an internal research and the information is confidential to the organization concerned and rarely becomes public knowledge. Business Travellers need convenience, amenities of global standards and most particularly the time as a late arrival could mean a missed business opportunity.

Asia has become the focal point of growth for business travel. Already this region is now the world's largest market accounting for more than a third of the USD 1 trillion in annual spending globally. According to a recent survey it is estimated that between 2014 and 2018 business travel spending in Asia is projected to grow four times as fast as in North America and more than twice as fast as in Europe. Despite this estimate very less is known about the Asian Business Travelers as much of the earlier research focused on North American and European Market. The big five markets which contribute to the maximum of Business Travel are China, India, Japan, Indonesia and Singapore as they contribute to the 68% of Asia's population and more than three fourth of the region's expenditure. They are becoming more demanding. They have a huge young population and their needs are being shaped by their own leisure travel experiences as well as evolving digital platform and dynamic consumer preferences. Indians in particular (61%) feel that Business Travel is a perk of their job.

Indian Business Traveler is now tech savvy and willing to shed more money. Majority of them prefer digital processes for flights and hotels. They are also the most willing and ready to use the online and mobile booking tools. Indians also are willing to shed on ancillary services though they are very budget conscious. Indian Business Travelers also have a lower proportion of expenses covered by their company in comparison to their Asian counterparts. Indian Business Travelers are also willing to travel by LCC's for Business Travel in comparison to many of their Asian counterparts.

The GBTA (Global Business Travel Association) Foundation report, 2016 forecasts 10.7 percent growth in business travel spending in 2016, followed by another 10.2 percent in 2017 reaching \$36.1 billion USD. India remains the 10th largest business travel market in the world, moving up five spots since 2000. GBTA expects India will continue to ascend the market rankings and is likely to jump four spots over the next five years, becoming the 6th largest business travel market in the world by the end of 2019. In fact, India is expected to leapfrog Brazil this year and could surpass both South Korea and Italy in 2017.

International tourist arrivals grew by 4.4% in 2015 to reach a total of 1,186 million in 2015, according to the latest UNWTO World Tourism Barometer. Some 50 million more tourists (overnight visitors) travelled to international destinations around the world last year as compared to 2014. 2015 marks the 6th consecutive year of above-average growth, with international arrivals increasing by 4% or more every year since the post-crisis year of 2010.

a. In 2015 it was witnessed that over half of the visits worldwide has been for leisure purposes. Travel for holidays, leisure and recreation accounted for over half of the total international tourist arrivals in 2015 (53% or 632 million). Some 14% of the total international tourist arrivals in 2015 reported for Business and professional purposes. 27% traveled for visiting VFR, religious reasons, pilgrimages, health treatment etc. and the remaining 6% travel is unspecified. (UNWTO Tourism Highlights, 2016 Edition)

b. Travel for holidays, leisure and recreation accounted for over half of the total international tourist arrivals in 2014 (53% or 598 million). Some 14% of the total international tourist arrivals in 2014 reported for Business and professional purposes. 27% traveled for visiting VFR, religious reasons, pilgrimages, health treatment etc. and the remaining 6% travel is unspecified. (UNWTO Tourism Highlights, 2015 Edition)

It can be mentioned that Business Travel has been growing at a very

rapid speed in the last 2 decades from 60.4 million arrivals in 1990 (UNWTO Tourism Highlights, 1990) to 141 million arrivals in 2010 (UNWTO Tourism Highlights, 2010) and 166 million in 2015 (UNWTO Tourism Highlights, 2015). An understanding of the way people buy Business trips, why they choose one particular company over another, why they choose to travel and when they do this is vital area for investigation and it is very important to know the preferences and changing needs of the Business Travellers as this segment is growing by leaps and bounds.

Though the segment of Business Traveller is small in comparison to the leisure tourists but the segment is growing tremendously reflected by the figures published by UNWTO. Business Tourism is sustainable and offer high value with fewer negative environmental impacts in comparison to leisure mass tourists. As the world gets smaller and communication technology brings people closer, businesses are branching out all over the globe. International business travel has become a necessity of business.

#### Conclusion:

Business Travellers value time as time is money for them. They are less price sensitive in comparison to leisure tourists and are more concerned with status. Business Travellers. The key point to ponder upon is the Business Tourists increased by 11% between 2008 and 2009 when the world was going through Global economic crisis. Time is often of the essence for today's business traveler so they need to be sure their travel arrangements run smoothly and on time – a late arrival could mean a missed business opportunity. While the needs of business travelers can be extremely diverse and highly dynamic something that comes out loud and clear from the research findings is the importance of reliability, credibility, service quality, cost effectiveness, safety and security and the grievance redressal mechanism.

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