

21465416

by Nikhil Bhusal

Submission date: 02-Nov-2020 10:18AM (UTC+0000)

Submission ID: 134480723

File name: 21465416_1.docx (1.12M)

Word count: 2219

Character count: 12838

Special Events



Oct 2020

Special Edition

Economic Development and the Business Traveler

WILL BUSINESS
TRAVEL BE THE
ANSWER TO
INDIA'S ECONOMY
POST COVID?

**“Creativity comes from spontaneous
meetings, from random discussions.”
- Steve Jobs**

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Name: Nikhil Bhusal
Student ID: 21465416
Module Leader: Gergina Pavlova
Subject: Corporate Events (MICE)
Word Count: 1956

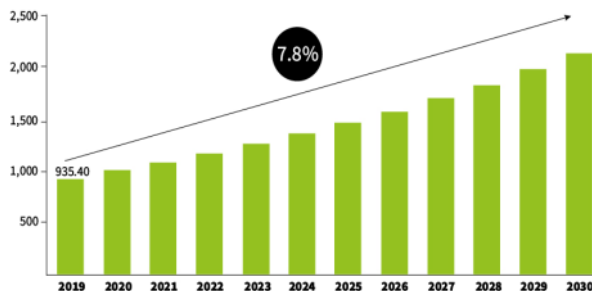
Business Travel Matters

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.

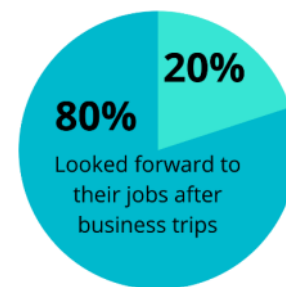
Embassy suites, like courtyard hotels, are known for being business-friendly by offering free high-speed internet, breakfast, gym facilities and a 24 hour business centre.

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.

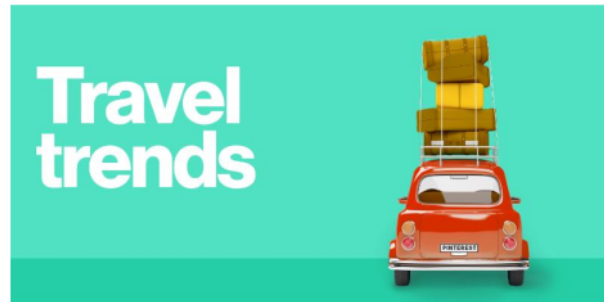
Business Travel Trends

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.



Courtesy of The future of Commerce

The next aspect which needs to be considered is travel assistance. Though according to a survey from Collinson half of the travelers signed up for medical and security assistance, 51% of them did not know what it meant or what it entails. Actions need to be taken in this department to explain and inform travelers as this is going to be very significant in the near future with respect to the COVID 19, the Indian economy and projected increase in corporate travel. Bleisure in the current scenario, is going to be concerned with health and safety. Though a natural thought would be that bleisure travel would decrease in order to decrease exposure to the virus, it could possibly be the exact opposite. After being cooped up at home for such a long time, people who love to travel will finally be able to do so. Add to the fact that according to a survey, Indians claimed to enjoy business travel the most out of all nationalities.

Speaking of COVID-19, many say large events will not be back until there is a cure. Understable but though the MICE industry will see a number of changes to the traditional way events are carried out, it will not be completely decimated. Innovation and expertise will be required to come up with ways to control the virus and simultaneously host an event

successfully. Facial recognition for contactless check-in and check-out, rearrangement of the show floor and area in order for social distancing to be successful and digital machines/apps for ticketing purposes as well as contact tracing are a few of the small but effective solutions that have been thought of. So yes the MICE industry has taken a hit in this pandemic, but no it will not remain the same.

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As the Indian economy is growing, there has been and is likely to be an increase in business travel as mentioned earlier. As the companies expand, this will obviously result in more outbound business travelers. The relationship is directly proportional. Though COVID 19 has disrupted the trend, eventually new norms will be put in place to create a safe environment for most if not all aspects, which will help things get back on track. Yes, the virus has brought most activities to a halt temporarily. But the business travel sector is an essential part of the industry and will continue to be for years to come.

Word count 1956

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FINAL GRADE

84/100

GENERAL COMMENTS

Instructor

Knowledge-25/30

The article is written very nicely with all the valid and current aspect keeping in mind with good example from the introduction to the main content fact business traveler and before and after growth of the hotel industry and the mice traveler

Research-16/20

Good and valuable research and reference are seen in the article also academic inputs are also present in the article

Analysis-16/20

The understanding of the assignment is seen and each aspect are explained with good hotel example

Written & communication-27/30

The overall the article is very well presented and looks look a magazine the word count is also appropriate

DM - DG



Comment 1

The start of the article written very well

PAGE 4



Comment 2

Business trends before and current is explained very well with good example



Comment 3

The facilities provided by the hotel is explained very well with good example and refences

PAGE 5

PAGE 6



Comment 4

The new trends mention in the article is written well

PAGE 7

PAGE 8

CRITERION 1 (30%)

10 / 10

Knowledge and understanding

EXCELLENT (10)	Has a systematic understanding of the knowledge base and its inter-relationship with other fields of study. Demonstrates current understanding of some specialist areas in depth.
VERY GOOD (8)	Meets all of the requirements of the lower descriptor and shows elements and/or partial evidence of the higher descriptor.
GOOD (6)	Has detailed knowledge of well-established theories and concepts. Demonstrates an awareness of different ideas, contexts and frameworks and recognises those areas where the knowledge base is most/least secure.
ADEQUATE (4)	Meets all of the requirements of the lower descriptor and shows elements and/or partial evidence of the higher descriptor.
POOR (2)	Has a broad understanding of the knowledge base and its terminology or discourse. Demonstrates awareness that areas of this knowledge base are open to ongoing debate and reformulation.

CRITERION 2 (20%)

8 / 10

Problem solving, research and enquiry

EXCELLENT (10)	Demonstrates confidence and flexibility in identifying and defining complex problems. Identifies, selects and uses investigative strategies and techniques to undertake a critical analysis, evaluating the outcomes.
VERY GOOD (8)	Meets all of the requirements of the lower descriptor and shows elements and/or partial evidence of the higher descriptor.
GOOD (6)	Undertakes research to provide new information and/or existing data to identify patterns and relationships. Uses appropriate theoretical models to judge the significance of the data collected recognising the limitations of the enquiry.
ADEQUATE (4)	Meets all of the requirements of the lower descriptor and shows elements and/or partial evidence of the higher descriptor.
POOR (2)	Identifies a well-defined focus for enquiry, plans and undertakes investigative strategies using a limited and defined range of methods, collects data from a variety of sources, and communicates results effectively in an appropriate format.

CRITERION 3 (20%)

10 / 10

Analysis and evaluation

EXCELLENT (10)	Analyses new, novel and/or abstract data using an appropriate range of established subject-specific techniques. Judges the reliability, validity and significance of evidence to support conclusions and/or recommendations. Suggests reasons for contradictory data/results.
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VERY GOOD (8)	Meets all of the requirements of the lower descriptor and shows elements and/or partial evidence of the higher descriptor.
GOOD (6)	Analyses a range of information comparing alternative methods and techniques. Selects appropriate techniques/criteria for evaluation and discriminates between the relative relevance and significance of data/evidence collected.
ADEQUATE (4)	Meets all of the requirements of the lower descriptor and shows elements and/or partial evidence of the higher descriptor.
POOR (2)	Judges the reliability of data and information using pre- defined techniques and/or criteria.

CRITERION 4 (30%)

10 / 10

Writing and communication

EXCELLENT (10)	All the requirements of the assignment have been addressed. Presentation and formatting show advanced use of sophisticated word processing tools. Uses a wide range of vocabulary and structures with very natural and sophisticated control of lexical features; rare minor errors occur only as 'slips'. Uses cohesion in such a way that it attracts no attention and skilfully manages paragraphing.
VERY GOOD (8)	Meets all of the requirements of the lower descriptor and shows elements and/or partial evidence of the higher descriptor.
GOOD (6)	All the requirements of the assignment have been addressed. Presentation and formatting actively enhance the document and demonstrate fluency in word processing. Uses a wide range of vocabulary and structures to fluently and flexibly convey precise meanings. Skilfully uses uncommon lexical items but there may be occasional inaccuracies in word choice and collocation. Sequences information and ideas logically, managing all aspects of cohesion and paragraphing well.
ADEQUATE (4)	Meets all of the requirements of the lower descriptor and shows elements and/or partial evidence of the higher descriptor.
POOR (2)	All the requirements of the assignment have been addressed. Presentation and formatting have been managed, but in a simplistic and superficial way. Uses a limited range of vocabulary and structures, but this is minimally adequate for the task. May make noticeable errors in spelling and grammar that may cause some difficulty for the reader. Presents information with some organisation, but there may be a lack of overall progression. Makes inadequate, inaccurate or overuse of cohesive devices and may not use paragraphs well.