

Canadian Travel Executives Address Business Travel Trends for 2008

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Best Western International/NBTA Survey Forecasts Trends in the Mid-Market Segment

A panel discussion involving top names in travel, hospitality and finance occurred in Toronto last week, concentrating on business travel trends and solutions in 2008. Findings from the discussion tied closely to results of a survey of North American corporate travel managers conducted by Best Western International (BWI) and the National Business Travel Association (NBTA).

Tanya Racz, president of NBTA Canada, who moderated the event, said the top three factors corporate travel managers consider when booking travel included safety and security, price and convenience. According to the BWI/NBTA survey, nearly two thirds (63 percent) of travel managers rated convenience and proximity to meeting locations as the most influential factor they consider when making hotel decisions. The Hotel Association of Canada's (HAC) 2007 Travel Survey supported this, with 70 percent of respondents saying they would pay \$20 more per night and 50 percent saying they would pay \$40 more per night to be within five minutes of their meeting location.

Panel participants highlighted the all-inclusive pricing model spearheaded by Best Western and other mid-market hotel chains as attractive to both travel managers and individual business travelers. Value-added amenities such as breakfast and complimentary high-speed Internet access were viewed as directly responsible for an increase in the number of mid-market chains on preferred vendor lists. In fact, more than half of survey respondents (52 percent) confirmed that complimentary high-speed Internet access was the most important amenity when selecting a hotel.

'The last 18 months have shown that the mid-market is a particularly strong place to be,' said Dorothy Dowling, senior vice president of Best Western International. 'Companies that used to buy in the upscale or luxury category are now more conscious of managing travel expenses. Mid-market hotels are being asked to participate in new corporate programs for the first time because that \$100 to \$120 room rate is where many travel managers want to be.'

Tony Pollard, president of the Hotel Association of Canada, said that while the industry could expect continued growth throughout Canada, hotels would need to improve amenity and service offerings to maintain a competitive edge, particularly with the United States market. 'The days are long gone when you go to a hotel and expect to pay for Internet access,' said Pollard. 'Just as coffee makers are expected in any hotel room, high-speed Internet access needs to be complimentary.'

The Tourism Industry Association of Canada's (TIAC) vice president of public affairs, Chris Jones, who focused on the industry's inbound travel from the U.S., said that while leisure travel to Canada shows little sign of rebounding in the short-term from its recent downward trend, business travel is likely to remain healthy going forward. He cautioned that increased expectations would need to be met. 'The business traveler is discerning and wants everything gratis,' said Jones. 'We are seeing an increasingly sophisticated, Web-savvy traveler who knows what they want. Given the current rates for the industry as a whole, we need to be offering more amenities and services to meet their needs.'

New trends among corporate travel managers included cutting costs, tighter travel planning and renewing compliance standards to manage travel more efficiently. Mark Kozicki, vice president of commercial products for MasterCard said that companies are increasingly aware of their travel budgets and the need to monitor their travel spends. 'During this time of economic re-valuation, companies are eager to become more informed about how they spend corporate dollars on travel,' Kozicki said. 'They are asking for more information and detail, where that spending is being done, and how it can be done more efficiently.'

Kozicki also explored issues of safety and security involving card misuse, explaining how recent card policies are coupled with card management systems that monitor transactions more closely. The panel discussed how companies are looking to control both cost and safety. 'An increasing number of business travelers are women,' said Dowling. 'Especially following 9-11, companies need to know that employees are secure. Best Western provides thorough guidelines to its members, and because each hotel is individually owned and operated, our properties must abide local law regarding lighting, parking, and other safety and security issues.'

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