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Business tourists' expectations are changing. Hotels and business centres are predicting challenging times ahead in regards to business tourism. A recent poll revealed more than a third of businesses have less to spend this year.<sup>i</sup> The average length of stay has already fallen from 1.9 nights to 1.5 nights in 2008<sup>ii</sup> and expectations are for further drops over the coming months. Although it is widely expected for meetings and trips to continue, shortened duration of trips is a high possibility. Hotels are not currently slashing prices, however many hotels are prepared to negotiate prices to secure visitors. Lower star rating and budget accommodation may experience rises in business trips as businesses opt to downgrade to minimise costs. Forty-four percent of those who participated in a business survey<sup>iii</sup> agreed it was reasonable, in this current climate, to use budget hotels for executives.



Economic pressures mean facilities such as fine dining, spas and gyms are no longer the important features; instead simple needs such as good internet access, a quiet room and efficient services will be the key for finding accommodation over the next year for many corporate companies.

It is expected that companies will stick to well trusted hotel brands for security and dependability. Although this could be a prime time for budget hotels, as prices are of the essence, it is clear that executive travellers' still demand a certain standard of service. Focus will be whether the cheaper hotels can do the simple things well such as efficient check in and check out, easy booking systems, flexibility for change in bookings, rapid resolution to problems and reliable good Wi-Fi connections.

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Concern is widespread over the current economic situation yet 95% of Britons are still planning on taking a holiday this year<sup>iv</sup>. Over half of Britons are preparing to cut back on eating out and shopping to guarantee a summer break, which many see as a necessity rather than a luxury. "Britons regard their holidays as sacred and should they have to, will budget throughout the year to make sure they can get away"<sup>v</sup>. Many view a holiday as a crucial way to escape the credit crunch and feel holidays are more important than pay rises<sup>vi</sup>. However only one quarter are likely to spend their usual amount on a holiday this year.

The nature of the holiday trade has changed over the past few months. Holiday makers are already actively planning ways in which they can reduce costs while on holiday causing drops in holiday bookings as people leave their options open and wait in anticipation for prices to drop nearer the time. A cheaper holiday destination is a common target this year as well as cheaper accommodation and plans to spend less while on holiday. Holiday makers may opt to travel out of the peak season when prices are likely to be lower. Barriers including price of flights and the current exchange rates are preventing many people from booking overseas travel and many others are considering staying in the UK this summer. Caravan and camping bookings have been on the rise over the last few months. The Caravan & Camping club are reporting a 15% increase in bookings so far this year compared to the equivalent last year.

<sup>i</sup> TravelMole, Jan 2009

<sup>ii</sup> HRG annual survey, 2008

<sup>iii</sup> Survey conducted by Economist Intelligence Unit: The Austere Traveller – the effect of corporate cutbacks on hotels, Feb 2009

<sup>iv</sup> TravelMole, Jan 2009

<sup>v</sup> Stuart Nassos, managing director of Holiday Autos, Jan 2009

<sup>vi</sup> Julia Horton, The Herald Newspaper, Jan 2009