



## **UK businesses drive down the cost of travel, but corporate travellers remain set on living the high life**

*BDRC's 2010 British Hotel Guest Survey reveals reduced budgets but not expectations*

**London 29th March 2010:** Results from leading market research agency, BDRC ([www.bdrc.co.uk](http://www.bdrc.co.uk)), show that the golden age of business travel is one of the casualties of the recession. According to BDRC's 2010 Hotel Guest Survey, the size of the domestic hotel market for business travellers fell 3% in 2009 to 56 million room nights as the average business traveller shaved four nights away off their schedules since the same time last year. However, while they no longer pay top dollar for room rates, the UK's business travellers remain a discerning and demanding bunch.

### **Companies ask execs to economise on nights away**

Just under a half of all business travellers have been asked to change their behaviour in order to reduce costs according to the latest figures, although this rises to three in five amongst older (and more senior) employees. 27% have had to reduce the number of nights they spend away while another 22% have had to stay at hotels with lower rates.

### **Execs make own travel plans, but company policies limit choice**

Individual travellers now have more say than ever before about where they stay when on business. Over half (53%) of business guests surveyed in 2010 choose their own hotel and this number rises to nearly three quarters (73%) amongst frequent bookers. Business travellers' choices are increasingly limited however as three out of four businesses now operate hotel selection policies. Businesses are cracking down on travel: over a quarter of respondents describe their company's policy as being "strictly enforced" compared to a fifth the previous year. Almost half (44%) of respondents said that the level of enforcement had increased in the last 12 months. Restrictions on room rates are the most common policy with 31% of

respondents facing a cap on their expenditure. An additional 29% are limited to choosing hotels that will fit into their annual or daily budget.

### **High expectations**

Although business travellers may be economising on cost, they are not prepared to compromise on quality. Few cost-cutting companies are prepared to ask their employees to go without their creature comforts – less than one in 10 respondents have been requested to downgrade to a lower category of hotel in the last year.

An analysis of the key drivers for recommending hotels reveal that expectations amongst business travellers remain high, particularly at the upper end of the market. Functional attributes such as the quality of the loyalty programme, local character and excellent service dominate the list of key drivers for recommending upscale hotels. For business travellers good loyalty programmes are substantial influencers on recommending upscale hotel brands, ahead of value for money, which trailed in third place. By contrast, business travellers to mid-market and budget hotel brands are more likely to recommend based on emotional attributes such as being stylish, friendly and comfortable.

### **Bargain hunters**

The survey also reveals a number of trends that suggest that business travellers are determined to spend money wisely. Business travellers are now bargain hunters and increasingly price savvy: one in five (19%) using price comparison sites to hunt down the best rates online. As business travellers become increasingly cost conscious but unwilling to give up their taste for luxury, membership of loyalty programmes has continued to increase. 42% of business travellers and 69% of frequent business travellers are now members of a loyalty programme.

“The results from the 2010 Hotel Guest Survey point to an extremely mixed picture for hotel brands”, said Tim Sander, Director at BDRC. Executives are still travelling but hotel brands need to work harder to secure their bookings. The nature of business travel has changed as individuals take more responsibility for their own travel, but as companies cut costs and place restrictions on room rates, today’s business traveller is increasingly cautious about how they spend their money. The

challenge is for brands to maintain their quality standards and deliver the kind of experience Britain's business travellers have come to expect, but at a keener price. A key objective for hotel brands must be to understand the varying business traveller segments and gain insight into the factors that are driving booking behaviours."

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**About BDRC**

Founded in 1991, Business Development Research Consultants is a leading full service market research agency. Working primarily for service organisations, the company specialises in hotels, travel and tourism and finance. The acquisition of Continental Research at the beginning of 2008 added media and advertising, public sector and technology research expertise to the portfolio of market sectors covered. Headquartered in London, the company is renowned for its consultative approach and ability to add value to clients' businesses by bringing insights from multiple markets to their research.

For more information, please visit [www.bdrc.co.uk](http://www.bdrc.co.uk).