

How the death of business travel will change your next vacation

Work trips are down by more than 90 percent. And it's affecting everything from when and where we travel to how long we stay.



If you ever brought your spouse with you to a conference in Las Vegas, tacked on a weekend in the Keys after a site visit in <u>Miami</u>, or took in the <u>Christmas markets</u> in <u>Salzburg</u> following a meeting in <u>Munich</u>, you were part of a burgeoning trend in travel: the bleisure trip.

A loosely defined category where business and leisure converge, bleisure typically refers to a person vacationing at a destination before or after visiting for a work-related purpose. A 2016 <u>survey</u> by Expedia Group Media Solutions found that bleisure travelers worldwide turned 43 percent of their business trips into vacations. That figure increased to 60 percent by 2018, with an average extension of close to three nights. Younger professionals were particularly fond of the practice: In 2019, a National Car Rental <u>survey</u> reported that 90 percent of millennial business travelers added leisure components to their trips.

Then came 2020, the year that business travel died. The COVID-induced collapse of corporate travel has also killed bleisure—and it could have a lasting influence on how we travel for pleasure. Where we take our vacations, how we get there, when we go, how long we stay, and even how our trips impact the environment are all changing. And though prompted by the pandemic, many of the shifts can be traced to the inextricable link between business and leisure travel.

The obliteration of bleisure

According to the <u>Global Business Travel Association</u>, there were more than 400 million business trips in the United States alone in 2019. By April of this year, however, 92 percent of the organization's members reported canceling or suspending all or most domestic travel, a figure that rose to 98 percent for international travel.

The catalysts behind corporate travel's demise are clear: Health concerns and travel restrictions have made business trips untenable in the time of <u>COVID-19</u>, while the rise of the remote workplace and the embrace of video-conferencing technology have made them largely unnecessary.



This combination has created a new reality for the travel industry, one that is expected to persist long after the pandemic. "We're still over a year away from an upstart on business travel," says Lori Pennington-Gray, director of the University of Florida's <u>Tourism Crisis Management Initiative</u>. "And it's going to look very different from what it looked like before."

Like its corporate counterpart, leisure travel will have a different look in the coming months and years. A key factor in the transformation will be the downfall of bleisure—and the cost savings it affords. According to the National Car Rental survey, saving money was a primary reason for taking a bleisure trip for 49 percent of millennials. Indeed, traveling to London or Hong Kong might not be feasible if your company isn't covering your flight. "Do I still invest

in that long-haul trip even if part of it isn't paid for?" Pennington-Gray says. "Or do I stay closer to home and make shorter trips?"

Bleisure is also a matter of convenience. Piggybacking a weekend in Prague after a business trip to the Czech capital makes perfect sense when compared with, say, a 35-hour round-trip excursion from Los Angeles for a two-night stay.

Of course, business travel dictates many of the places we travel to in the first place. The 2018 Expedia Group study found that 67 percent of bleisure trips were in the same destination as the person's business travel. What's more, business trips frequently include a family member or friend who is traveling for leisure. In <u>Las Vegas</u>, for instance, 6.6 million people visited for a conference last year, 24 percent of whom brought along at least one companion—travelers who otherwise might not have gone there on vacation.

"When you look at the Londons, the New Yorks, the Vegases—every major city center—corporate travel is the main driver of their [tourism] business," says Lindsey Ueberroth, CEO of Preferred Hotels & Resorts.

Major hotel chains are likewise dependent on corporate travel, which accounts for almost 70 percent of revenues for <u>Marriott International</u> and <u>Hilton</u>, according to a recent *New York Times* <u>feature</u>. Business travel is also essential to airlines. The *Times* found that corporate travelers represent about half of all revenues for major airlines, and an even greater share of profits.

The airlines' recent cuts to flight schedules and routes are a reflection of both the current drop in demand and the bleak outlook for corporate travel's recovery. The longer the business-travel drought lasts for airlines, the less convenient and affordable air travel will become. That will likely further a trend that began this summer, when driving destinations became de rigueur.

Short trips for the long term

Sparked by the perceived health risks of flying, the summer surge in <u>road trips</u> helped offset the loss of business travel in resort towns from New England to Southern California. Kurt Bjorkman, general manager of the <u>Ranch at Laguna Beach</u>, had forecast that 30 percent of his business in 2020 would be from group and corporate travel. That was gone almost overnight, he says, but the resort still had its best August ever. "We're a drive market to begin with, and that's just intensified with people not being able to leave the country."

The transition to remote offices and, at least temporarily, virtual schools, is also creating opportunities for leisure travelers. "I can work from anywhere, and my kids can study from anywhere," Ueberroth says. "Why wouldn't I drive somewhere and spend a week where my kids can be at the pool on their breaks?"

Several hotels are catering to this niche by reconfiguring spaces—even converting ballrooms into study halls—and offering programming for remote workers and students. Ueberroth cites Montage Hotels & Resorts" recently launched Montage Academy, a program that includes tutoring for children ages 6 through 17 plus after-school "electives" ranging from hiking to cooking classes.

While children will eventually go back to school, many adults may not return to an office—and the initial appeal of working from home could grow old. "We've all been on the same culde-sac, so to speak, for a long time, and it's good to get out there and change your point of view," says Tracey Slavonia, chief marketing officer for <u>Salamander Hotels & Resorts</u>.

The company, which has properties in Charleston, <u>South Carolina</u>; Middleburg, <u>Virginia</u>; and Montego Bay, <u>Jamaica</u>, is seeing travelers from nearby metropolitan areas using its hotels as remote workplaces. "When the Jamaican border was closed, we marketed our Montego Bay property to Kingston residents," says Slavonia. "They were renting five- to seven-bedroom villas and settling in for extended periods of time."

Longer, and fewer, trips could be another direct result of the remote-office revolution. If you don't need to be in an office—and you don't need to take business trips to visit other offices—you can feasibly settle in for weeks, or months, at a time. "People are realizing, 'I don't have to get back home, I don't have to go to the office,'" says Misty Belles, managing director of global public relations for the travel network <u>Virtuoso</u>. "We're seeing almost like rental agreements, where they're <u>staying at a hotel</u> for two to three months."

Lower impact, heightened awareness

The combination of closer-to-home travel and extended stays offers potential upsides for the environment. In addition to fewer long-haul flights, the trends could mean less turnover in hotels, with more of a consistent ebb and flow of longer-term guests. "Hotels will be hosting visitors in lower numbers than in the past," says Pennington-Gray, "and they have the opportunity to think long term of what that impact is going to be."

Ueberroth believes there will also be a perspective shift among travelers. "Coming out of this, the traveler is going to care a lot more about what properties are doing. How are they investing in their communities?" she says. "If there's one thing this has taught us, it's the importance of taking care of people in your own backyard."

New travel habits might also ease some of the stress of overtourism. Rather than crowding popular spots during summer, spring, and weekend breaks, newly flexible workers could form a steady trickle throughout the year. "The big winner in all of this is shoulder season," Belles says. "The clear lines that have always been drawn from a seasonal aspect are now getting super blurry."

Though shifting, the lines between business and leisure travel promise to remain blurry as well. Bleisure as we know it might be dead, but a new bond between the categories is forming. "If we're spending a month at a hotel close to home and working remotely, is it truly a vacation?" says Bjorkman. "Or is it simply the new-look bleisure trip?"