

Hoteliers Grapple With Business Travel Changes in the Hybrid Work Era

What Once Were Four-Day Work Trips Might Be a Day and a Half Today



The rise in remote work has led to a shift in demand segments, leaving hoteliers to question whether business travel demand will ever return to pre-pandemic levels. (Getty Images)

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NASHVILLE, Tennessee — Success in the hotel industry over the past few years has been gauged by reaching 2019 levels, back when things were “normal.” But as some trends such as hybrid work persist and business travel demand remains below where it was pre-pandemic, hoteliers have started to consider what “normal” looks like in 2023.

The advent of widespread remote and hybrid work has been a boon for leisure demand but a drawback for the other demand segments. While it means one can work from anywhere, it also means some business meetings can be accomplished over video calls rather than in person.

Most companies now opt to have at least one big in-person get-together a year opposed to what might have been a quarterly event. As companies start to navigate the required cadence of in-person meetings, hoteliers are trying to figure out if this will lead to a different version of business travel to make up for what has been lost.

“We’re definitely still trying to understand ... the impact of hybrid working on creating new meetings, creating new business travel,” Linda Gulrajani, vice president of revenue strategy and distribution at Marcus Hotels & Resorts, said at a roundtable hosted by Hotel News Now at the [2023 Hotel Data Conference](#). “Does some of that offset some of the business lost that’s not coming back? I would say I’m not sure we quite understand it yet but are hopeful that it will be a new demand driver.”

Ankur Randev, principal and chief commercial officer at Highgate, said he believes companies will trend toward sending employees to large corporate events where other people in their respective industries will be.

“If the hybrid work is telling you you’re not in the office Monday and Friday, so you’re basically traveling two days a week, [if] at all, you’re traveling on the corporate side,” he said. “Over time, it’ll be these incentive programs, which is pretty much how they started, having these big blowout gatherings, etc.”

What is here to stay is the importance of in-person meetings, said Jennifer Driscoll, vice president of revenue management at McNeill Hotel Group.

“Whether you work from home [or not], you’re still going to have to travel if you’re dealing with customers and you want that face to face,” she said. “I don’t know if remote not being back in the office is as impactful because what we’ve learned is there is value in the face-to-face interactions.”

While most companies in the tech sector have embraced hybrid work, some other sectors such as banking have vocal CEOs urging employees back into the office, Randev said. For those returning to the office, corporate travel trips could be shrinking in duration as a means of mirroring work-from-home schedules.

For example, what used to be a four-day work trip pre-pandemic might be a day and a half today, he said.

“It will all depend on how the work environment changes for good, and I guess nobody has a good view on it just yet,” he said.

Driscoll said individual business travel trips have been getting shorter, too.

“It could be tied to pricing [but] they’re in and out, unless they’re making it the whole bleisure thing,” she said.

Bleisure, which is a mix between business and leisure trips, has blurred some segmentation in the hotel space and lends some credence to the idea that business travel simply looks different today. While some travel might go in the bucket of leisure travel, it could be an extension of a business travel trip.

Gulrajani said the ability to work from wherever has taught people to be more flexible.

Jenna Fishel, senior vice president of commercial strategy at First Hospitality, said some revenue managers from her company have taken monthlong trips to Europe and split the time between working remotely and taking time off.

Whether this newfound bleisure travel is a short-term trend or not is yet to be determined, Driscoll said.

“Is it the new normal or is it not? But that’s the [point]; I don’t know if we know what normal looks like anymore. It’s ever-changing,” she said.