

BUSINESS TRAVEL

POSITIVE OUTLOOK FOR BUSINESS TRAVEL

As business travel worldwide continues to enjoy solid growth, traveling executives are enjoying even greater comfort, security and flexibility. Airlines, airport operators, hotels and other travel suppliers are investing heavily to enhance their products and services in order to help ease the strain of frequent travel.

Services that were once perceived as an added benefit, often used by travel suppliers to differentiate themselves from their rivals, are now provided as standard across the industry. Electronic-tickets, self-service check-in kiosks, online bookings, flat beds in business class, in-room Wi-Fi, spas, and club floors in hotels – these are now products and services that executives are coming to expect as part of their business travel experience.

Many of these developments are in response to demands from corporate travelers to make business travel more productive and cost effective, but they also reflect an increasing awareness that executives need to retain a sense of wellbeing and comfort while on the road. This is becoming particularly important as corporate travelers venture further afield and into new, less developed markets.

CONTINUED GROWTH

Business travel remains strong in most regions of the world, according to the latest findings from the airline industry. Significant growth in airline capacity, particularly in Asia Pacific, the Middle East, Africa and Europe, indicates a continued upturn in business travel in these regions, although higher fuel costs are starting to have an impact worldwide.

According to the latest statistics from OAG, which monitors flight schedules worldwide, airlines increased flight capacity by 2% in October, compared with October 2004.

Flights to and from Africa are up 10%, 9% for flights to and from the Middle East; and flights to and from both Europe and the Asia/Pacific region are up 7%. China is once again the scene of massive industry growth. The number of flights to and from China this month is up 12%, while the number of domestic flights is up 18%.

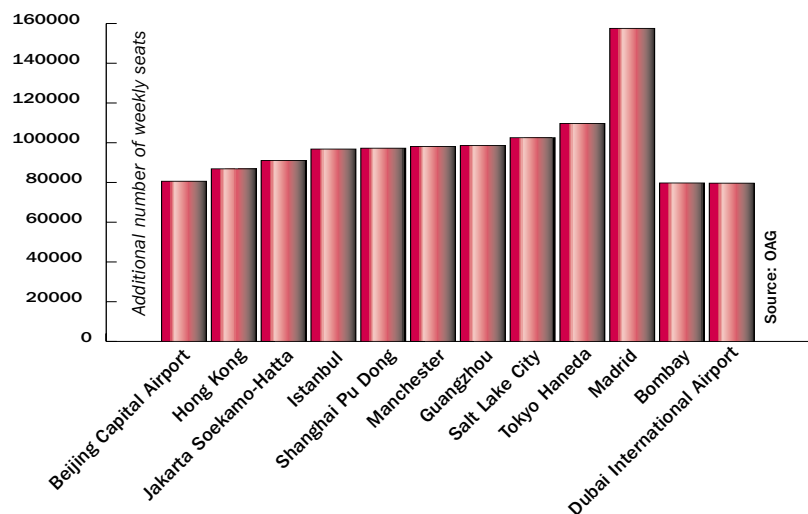
OAG managing director Duncan Alexander said although these figures do not distinguish leisure from business traffic, they give a good indication of growth in business travel to this region. "When you look at figures for China in particular, the prime mover is business," he said.

"This is largely driven by international traffic as the Chinese airlines widen their networks and more and more airlines start flying there. As there is more corporate investment, the Chinese government is gradually allowing more and more countries to enter the market, opening up new routes and opportunities."

OAG also revealed that nine of the top 30 airports with the highest additional seat capacity growth are located in China (see table).

"Dubai also showed significant growth with increases of 79,500 additional seats," added Alexander. "This reflects higher demand from both business and leisure travelers in the United Arab Emirates, and aggressive international expansion by its major airlines."

GROWTH IN AIRPORT CAPACITY



MORE TRAVEL TO REMOTE AREAS

The considerably growth in business travel to, from and within Asia Pacific is largely down to foreign investment in the emerging economies of India and China, according to industry observers.

"International trade really is exploding in these countries, and particularly in more remote areas where there is a less mature market and cheaper labor," said Mike Saunders, senior manager of insurance propositions for HSBC Commercial Banking.

"But in these areas the infrastructure is not as advanced, food hygiene is often quite poor and there is only basic sanitation, so business people are exposing themselves to higher risks."

He estimated that fewer than 10% of companies have sufficient travel insurance to cover their employees traveling to these parts of the world. Travelers requiring medical treatment in China, for example, must pay hospitals a cash advance to secure treatment.

"But not all companies know that," said Saunders. "Recent events have shown that businesses need to think about evacuation cover and full medical cover. Business travel is becoming more frequent, more extended and people are trying to take in more, and often less developed countries. We would recommend an annual contract but companies need to make sure the policy covers travel to all regions in which they are doing business."

NEW FOCUS ON TRAVELERS' COMFORT AND WELLBEING

As executives travel more frequently and venture further from home, they are placing a great emphasis on retaining their work/life balance while away from home. Responding to this growing awareness, both among travelers themselves and also their employers, travel suppliers are shifting the focus when developing new products and services.

"There's definitely been, over the last three or four years perhaps, a bigger focus on the wellbeing of guests, while both traveling on business and leisure," said Grahame Carder, vice president marketing for Hyatt Asia Pacific.

As a result, Hyatt has invested heavily in its spa and fitness facilities and has designed new hotels with more of a residential, homely feel.



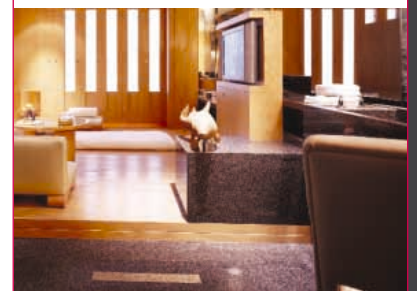
"We're looking to create almost urban resorts in business cities," said Carder. "It's something which Japan does very well. Facilities which were once only found in beach resorts are now found in city center hotels."

In Bangkok, Hyatt has just opened a new i.sawan Residential Spa & Club at the Grand Hyatt Erawan, covering over 7,000 square meters and designed by renowned American interior designer, Tony Chi. "Not only can business guests come here for pampering, but they can also stay overnight in one of the six spa cottages," said Carder. "We've been pleasantly surprised at how balanced the market has been for our spas. It's around a 50/50 male and female split and dominated by male business travelers. Over the last decade there has been a much stronger social awareness of health and wellbeing. Nowadays, a business traveler who has a choice between a drink in the bar or a workout in the gym and a massage is much more likely to go for the latter."

At the same time, Hyatt hotels are taking on a much more residential feel, in their rooms, restaurants and meeting spaces.

"There is still a strong sense of quality and contemporary design, but you will find more warmth and a more homely feel. We want to create some degree of comfort and familiarity. It's not exactly like their home, but guests will see elements within the room that they'd like to see back at home."

Electronic-tickets, self-service check-in kiosks, online bookings, flat beds in business class, in-room Wi-Fi, spas, and club floors in hotels – these are now products and services that executives are coming to expect as part of their business travel experience.





INDUSTRY PULLS TOGETHER TO IMPROVE AIR TRAVEL

With business travel on the up and set for further growth, airlines, airports and industry bodies are working together to improve the air travel experience.

With a focus on technology, business travelers will see a raft of improvements over the next few years thanks to a concerted campaign led by leading air industry body, the International Air Transport Association (IATA). The worldwide roll-out of electronic ticketing (E-ticket) is currently the top priority for IATA and its partners, who are aiming to achieve 100% take-up of E-ticket by the end of 2007.

A series of workshops have been held in Asia this year to promote the industry-wide program. The most recent was in Delhi with over 70 representatives from 12 South Asian airlines. "The workshops have been specifically designed to address some of the key issues and obstacles to E-ticket deployment in the region, and provide practical tools and guidance to help carriers move forward," said Philippe Bruyère, program director for IATA's Simplifying the Business working committee.

"This region, and India particularly, is a growing market and consumer demand for E-ticketing is building quickly."

The latest statistics show that 31% of tickets sold worldwide are electronic. In the Asia/Pacific region, the market penetration is at 30% but India lags behind at 5.4%.

E-TICKETING LEADS TO WIDER SOLUTIONS

Some airlines are already well advanced in the development of E-ticketing, which allows them to offer further benefits to their customers.

Passengers with Japanese airline JAL, for example, can now use a new Web check-in service for international flights on most routes. This service is available for members of its loyalty program JAL Mileage Bank (JMB) who are holding either an E-ticket or magnetic boarding pass.

The Web check-in service allows customers to select a seat on the seat map displayed on the screen of their computer or cell phone and check-in from three days before the departure date up

to one hour prior to flight departure. Customers can even change seats. On completing Web check-in, passengers pick up their boarding pass at an airport self-check-in machine or JAL airport counter. E-ticket holders using the self-check-in machines just insert their passport and their boarding pass will be issued in about 20 seconds. Machines are located at Narita, Kansai, Nagoya (Centrair), Haneda and London Heathrow.

According to IATA, the roll-out of E-ticket will save the whole airline industry a total of US\$3 billion and should go some way to help ease the burden of increased fuel prices. IATA's other priorities are the common use self-service check-in machines, bar coded boarding passes, and electronic tagging for baggage tracking.

Airports in Toronto, San Francisco, Geneva, Sydney and Singapore are already testing common use check-in kiosks.

"Eventually travelers everywhere will see common self service check-in kiosks just like bank ATMS," said Tony Concil, director of communications for IATA. "Just as the banks have pulled together, airlines too are doing the same. It's come to the point where passengers are expecting it, so it is no longer a way for airlines to differentiate their product. It makes sense for the airlines to co-operate and IATA, as a standard setter, is leading the way. We're a global industry and we need to have global solutions."



"Eventually travelers everywhere will see common self service check-in kiosks just like bank ATMS."

WRITTEN BY BEVERLY FEARIS
DESIGNED BY DOTCOMMS.COM