

## Formation of Consumer Preferences in the Business Travel Industry

*Alexey Danilovich Chudnovckiy and Marina Alexandrovna Zhukova*

State University of Management, Moscow, Russia

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**Abstract:** The article deals with the requirements, which are imposed by business travelers on hotel services and the differences in preferences of tourists from different countries; and provides analysis of the structure of preferences of holiday-makers and business tourists as well as of the hotel clients' requirements to hotels' location, level of comfort, price level, association of a hotel to a hotel chain, suitability of a hotel for business tourism, availability of simplified and/or expedited check-out procedure, availability of additional services, rendered by hotels, existence of loyal client programs. Within the article, recommendations for hotels on the possible list of hotel services for business tourists from various countries have been elaborated and trends of further development of the business travel industry have been determined. Besides, we find it insufficient to meet completely the requirements of business clients with respect to accommodation means. A business travel market in a certain region should be developed with consideration of the specificity of the countries, which supply tourists. In this article, recommendations are given with respect to equipment of guestroom stock and the list of rendered services for business tourists from different countries. These recommendations will allow Russian hotels to increase the stay period of business tourists in their hotels and the tourist region, as a whole and probably, even attract more clients that are new.

**Key words:** Tourism • Hotel business

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### INTRODUCTION

For the business travel industry development issues, a lot depends on the hotels, which need to: improve their physical infrastructure in order to bring it to conformance with the latest achievements of science and technology (it is a critical issue for business travelers, as communication means develop at a high rate); pay particular attention to the improvement of service quality, both in terms of technology and functionality; maintain and expand stable relations with consumers and other business partners (service providers, touristic companies, congress and meeting organizers, large corporations, etc.); take into account national and religious differences in tastes and traditions of their consumers.

**Body of the Work:** This is a vital issue, as the differences between preferences of business travelers and tourists who come for recreation differ very much (Table 1).

The analysis of Table 1 proves that, in order to ensure efficient servicing of business travelers, touristic

companies should pay particular attention to the services of the business travel industry, which will encourage the improvement of service quality and ability to satisfy client needs according to the purposes of their stay in the country.

A poll of personnel of a number of Moscow hotels (Cosmos, Marriott Tverskaya, Peter I, the Golden Ring), which specialize in servicing business travelers, showed that such clients specified the following particular requirements to the hotels [2]:

- Convenient location. Nearly 78% of business travelers find this factor the most important at choosing a hotel.
- Clean and comfortable rooms. This factor is second by importance (67%) and, most probably, can be explained by the increasing number of women among the business travelers, who believe this factor most important. Several years ago, requirement for clean rooms was in the lower part of the priorities list. However, this factor became the main one upon second visit to a hotel (Table 2).

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**Corresponding Author:** Alexey Danilovich Chudnovckiy, State University of Management, Ryazan Avenue, 99, 109542, Moscow, Russia.

Table 1: Structure of preferences of holidaymakers and business clients with respect to hotel services Source: [1]

Rendered services	Tourists' preferences, %	
	Recreational purposes	Business purposes
Direct phone	39.8	55.2
Car parking area	26.1	14.0
TV in the room	14.4	16.5
Information on the hotel services	8.9	1.4
Minibar	5.9	6.5
Security system in the room	3.4	1.0
Rooms for private meetings	1.5	5.4
Total	100.0	100.0

Table 2: Most common complaints of business travelers with respect to the room equipment [3]

Desk area	Window and curtains	Bathroom	Electricity	Furniture	Other complaints
Too narrow tabletop	There is a gap between the curtains, through which light comes in the morning	Too small towels	Lack of AC outlets	Bed is too small	Lighting is bad everywhere
Insufficient number of AC outlets		Soap and shampoo are too small	No vault in the room	There is not enough room in the closet for a suit cover	Unpleasant smell in the room and adjacent rooms
No additional phone sockets	Curtains are too thin (light penetrates through them)	Bath/shower is installed too high	unassisted brewing tea or coffee	There is no pedestal for feet	Insufficient humidity in the room
The phone is not arranged on the table		Bad quality of toilet paper	No iron and ironing board for pressing	Insufficient room for things	Fire safety manuals are not comprehensible
Weak light	Windows cannot be opened, no supply of fresh air	Water is too hot/cold	Air condition is too noisy	Dining-table is uncomfortable	
Fixed chairs	The device is too complex or broken		TV set is not tuned		
Too many papers (advertisements) on the desk		The curtains are dirty		Insufficient number of TV channels	
	The window is dirty				

- The hotel capacity, sufficient to arrange accommodation of all congress participants in the same hotel. This seemingly simple condition becomes an invincible obstacle for many rather large hotels: the matter is that sometimes a group of participants of some congress event numbers a thousand or more persons. Taking into account other bookings and the fact that business clients prefer staying at single rooms, the list of hotels that satisfy these requirements becomes very short.
- Price of rooms. Over 55% of all business travelers find this factor important when choosing a hotel; however, the extent of its importance changes as more mobile and prosperous clients enter the business travel market [3].

Currently, hotels take efforts for finding various sources of gaining extra income: the practice of raising invoices for services, which are defined as "auxiliary", rendered at business events, has spread widely. Such services often include refilling minibars, safes in rooms, reconfiguration of conference halls, power consumption, arrangement of banquets, barmen services for banquets, room service, services of maids, bell attendants,

doorkeepers, porters, pool and sports facilities usage, communication services, guaranteed booking of rooms block for definite dates, etc.

- Hotel belonging to a hotel chain. Previous experience of accommodation at a hotel, which belongs to a hotel chain, is taken into account by 33% of business travelers. An interesting fact is that business travelers prefer to make use of hotel chain services due to predictability of the service level and convenient booking.
- Availability of relevant premises and technical equipment in hotels for conducting business efficiently. Congress hotels are, first of all, designed for meeting the needs of business clients; therefore, they normally offer a full set of business services: holding teleconferences, secretary services, all sorts of translation, access to fax and to Internet. As purchasing and maintaining such equipment is associated with material investments, the PFK Consulting Company by order of the American Conference South magazine questioned 100 professional organizers of corporate meetings, conferences and exhibitions [2]. This poll showed

Table 3: Availability of equipment in conference halls, in percentage of questioned respondents [4]

Extent of necessity	High speed Internet access	Wireless access to Internet	Videoconferencing equipment	Satellite communication	LCD-projecting device
Does not matter	20.7	32.3	68.8	54.3	9.7
May be required	39.1	47.3	23.7	28.7	24.7
Required	21.7	17.2	3.2	12.8	15.1
Critically required	18.5	3.2	4.3	4.2	50.5

Table 4 Availability of equipment in rooms, in percentage of questioned respondents [4]

Extent of necessity	High speed Internet access	Wireless access to Internet	Fax/Photocopier	Computer	Printer
Does not matter	19.2	34.1	71.3	69.9	67.0
May be required	28.7	35.2	25.5	23.7	26.6
Required	28.7	30.7	3.2	5.4	6.4
Critically required	23.4	0.0	0.05	1.0	0.0

that the number of people who need access to Internet, satellite communication, LCD-projecting devices, etc. is comparatively high among the questioned people (Tables 3-4).

An interesting fact to notice is that business travelers from various regions of the world have different priorities with respect to office equipment in their rooms, though the general list of desired equipment is mainly identical. A research made by the Hotels magazine showed that answers of the magazine's respondents from the USA and the Asian and European countries allocated in the following way (Table 5). This research demonstrates the practicability of taking these priorities into account at installing technical equipment in the hotel rooms. Thus, before equipping rooms of the hotel, it is advisable to analyze the client mix of the hotel, namely their nationality – this will allow to most fully take into account their demands, their supposed expenses for accommodation as well as determine the list of most popular services.

- Auxiliary services. Offering services of holding conferences influences the choice of 33% of businessmen and restaurant services and other nutrition services influences the choice of 22% of them. Restaurant services are the most important factor for those travelers who travel often and especially, businesswomen who prefer hotels with 24/7 operation of such services [5]. Besides, hotels must provide various food services: from self-services restaurants and cafeterias to fashionable restaurants.

A client poll held by the MasterCard Company on the most important factors at selecting a hotel, with equal location, price and cleanness of the hotels, showed that

32% of respondents mentioned availability of a restaurant, 22% - mentioned level of service quality, 14% - room furniture, 11% - guests' cohort, 14% - availability of exercisers and equipment for recreation, 13% - safety [5]. Usually, hotels, which specialize in servicing business travelers, have at least four stars.

- Simplified and expedited check-out procedure (express check-out). Taking into account the tough regime of business travels, intense schedule of meetings and sittings, a business traveler badly needs the opportunity to check out from a hotel quickly. Upon checking-in, the guest warns the accommodation service personnel that he needs to receive this service and fills in a special form with such essential fields as name, surname, period of staying, credit card number and his consent with the procedure of debiting the cost of the services rendered to the client from his credit card by the hotel after his departure. The invoice will be sent by fax to the number the guest has specified in advance.
- Availability of a program for loyal clients. Despite hotels pay much attention to the programs for loyal clients, only 2% of visitors take this factor into account [7]. Client are more interested in the offered opportunities and services, rather than in saving money with such programs (and in most cases, the money does not belong to them).

Besides, we find it insufficient to meet completely the requirements of business clients to the accommodation means. A business travel market in a certain region should be developed with consideration of the specificity of the countries, which supply tourists (Table 6). According to expert estimates, most travellers come to Russia from such countries as China, Germany, USA, UK, Italy, Turkey, France, etc.

Table 5: Priorities of business tourists from various countries with respect to the equipment of a hotel room [6]

Rating of requirements of business tourists	Preferable equipment of a hotel room for business tourists from		
	The USA	Asian countries	European countries
1	Multichannel phone	Fax/Printer/Photocopier	Email
2	Fax/Printer/Photocopier	Multichannel phone	High-speed Internet access
3	Email	Pay channels (movies, games)	Multichannel phone
4	High-speed Internet access	Email	Computer connected to Internet
5	Voicemail	High-speed Internet access	Fax/Printer/Photocopier

Table 6: Countries leading the pack in terms of arrival of tourists on business to Russia in 2012

Countries	Travel purposes	9 months of 2012	Change of the number of foreign citizens who entered Russia during 9 months of 2012 if compared with the equivalent value for 9 month of 2011 (+- %)
UK	Total	192,315	7
	Tourism	120,019	9
	Business	54,111	7
Germany	Total	568,449	9
	Tourism	338,524	10
	Business	143,933	7
Italy	Total	170,755	2
	Tourism	101,680	-5
	Business	50,572	16
China	Total	768,499	13
	Tourism	276,315	41
	Business	233,622	0
Latvia	Total	362,638	-14
	Tourism	25,569	-2
	Business	252,448	-3
Lithuania	Total	413,722	-14
	Tourism	16,458	-4
	Business	288,495	-19
Poland	Total	802,901	59
	Tourism	26,311	3
	Business	648,543	52
USA	Total	247,585	7
	Tourism	164,770	9
	Business	51,202	4.7
Turkey	Total	222,430	21
	Tourism	75,151	29
	Business	60,378	-6
Finland	Total	1,033,495	14
	Tourism	100,306	-9
	Business	589,165	19
France	Total	182,415	7
	Tourism	86,635	7
	Business	60,059	3
Estonia	Total	392,093	2
	Tourism	22,147	-15
	Business	260,973	-2

An interesting fact to notice is that business tourists from various regions of the world have different priorities with respect to office equipment in their rooms, though the general list of desired equipment is mainly identical (Table 7) [4]. In this basis, recommendations can be elaborated with respect to equipment of guestroom stock

and the list of rendered services for business tourists from different countries. These recommendations will allow Russian hotels to increase the stay period for business tourists in their hotels and the tourist region, as a whole and probably, even attract more clients that are new (Table 6).

Table 7: Recommendations to hotels on the possible list of hotel services for business tourists from various countries

Services offered by hotels	Recommendations to hotels on rendering various services for business tourists from		
	The USA	Asian countries	European countries
Fax, photocopier, postal service	+	+	+
Voicemail	+		
Multichannel phones	+	+	+
Individual working space in a room equipped with additional lighting	+		+
Ergonomic chairs in the room	+		+
Cooking implements (tea kettle, coffee pot, fridge, microwave cooker) in the room		+	+
Room for negotiations	+	+	+
Transfer from the airport	+	+	+
Express check-out of the room	+		+
Express check-in	+		+
Audio and video systems for rental	+	+	+
High-speed Internet access	+	+	+
Car rental	+		
Health-improving services	+		+
Programs for loyal clients	+		+
Hotel belonging to a renown hotel chain	+		
Clients' cohort of the hotel		+	
Security level at the hotel	+	+	
Variety of entertaining pay channels and various entertaining facilities in the hotel		+	
Availability of their national cuisine		+	

Here + means that this hotel service is particularly important for business tourists from the analyzed region

There are various multiple directions of attracting business tourists to the region and they cannot be limited by the only considered model. However, in the present conditions of economic instability, lack of investment money as well as lack of entrepreneurial experience, the suggested recommendations on establishment of hotels oriented to business tourists taking into account their national specificity are one of the most prospective ways of development for both standalone hotels and the whole touristic region.

Hotels that specialize on business travelers are very much interested in turning their business clients into loyal consumers, as accommodation is the greater part of the business travelers' expenses.

Therefore, hotels sign corporate contracts with many companies and according to those contracts, the companies' employees are granted discounts for accommodation. The more clients the company "supplies" to the hotel, the bigger the discount will be in the future for the company.

When choosing an optimal venue for holding a business event, specialists in arrangement of various business events will be very helpful for the company, which is organizing the forum, as the specialists can define the optimal geographic location for holding the event, elaborate a detailed program, arrange a familiarization tour, provide an attendant and start taking

care of the hosts and participants of the business meeting, whether a congress, or a conference, or a seminar, from the very first step and until the final stage of its arrangement.

**Summary:** Based on the analysis of the state of business travel market operation as well as research made by specialists of the Benchmark Hospitality International Company [8], which was engaged in managing a number of hotels and congress centers in the USA and Japan, we can assume that the following trends are expecting the business travel industry in the nearest several years:

- Due to the security and safekeeping confidential information, wired Internet will be preferably used in rooms for holding meetings and conferences. Wireless Internet will be used mostly by individual users;
- At least 50% of orders for arranging events will be received via Internet. In this view, it is very important to focus marketing efforts on the improvement of websites and their ties with search engines;
- The number of scientific and technical events, i.e. conferences, symposiums, seminars, is going to grow. Many of them will be held more often and regularly;

- Opposite to the public opinion, security problems will lose their first priority for organizers of most events. Only political events held in the centers of large cities will be the exclusion of the rule;
- The term *teambuilding*, which is currently widely used and covers a large variety of incentive events, will be more applicable to entertaining group programs and for the programs that have the purpose of qualification upgrade for the participants, the new term *experiential training - teaching in practice* will be applied [9,10];
- At arrangement of catering for the participants of events, particular attention will be paid to a *healthy nutrition* menu. The so-called Atkins Diet has been admitted harmful [11, 12]. This diet assumes exclusion of all food containing carbohydrates. Traditional and vegetarian cuisine becomes more and more popular;
- More and more participants of business events believe it essential to visit SPA procedures as part of healthy living [13]. Staying for several hours in a health complex is believed to be a good way of relaxation after long sittings;
- It has been noted that event budgets are increasing, more courts, banquets, entertaining events are being held and, at the same time, expenses are controlled much stricter.

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