

## Development of Business Travel During the Covid -19 Pandemic and after the Ease of Restrictions

Elman Said-Mokhmadovich Akhyadov<sup>1</sup>; Elena Vladimirovna Yudina<sup>2</sup>; Vladimir Dmitrievich Sekerin<sup>3</sup>

<sup>1</sup>Chechen State University, Grozny, Russia.

<sup>2</sup>Russian State University of Tourism and Service, Cherkizovo, Moscow Region, Russia.

<sup>3</sup>Moscow Polytechnic University, Moscow, Russia.

### Abstract

*Today, business travel is one of the most interesting phenomena of the 21st century and occupies a significant segment of the tourism and hospitality market. The globalization of the world economy and, as a result, the intensification of scientific, business, and cultural ties encourages trips with official and business purposes and encourages various levels of business events. There is a demand for corporate events even in the context of a pandemic.*

*The article shows the importance of business travel in the modern tourism industry. The article describes the types of business travel, considers the features and components of business travel, its role in the overall turnover of the tourism business, emphasizes the need to create a modern infrastructure of the business travel market, shows the relationship of the main subjects of business travel, presents statistics on the level of development of business travel in the pre-pandemic period.*

*The impact of the COVID-19 pandemic, which caused significant disruptions to international travel due to travel restrictions, has been analyzed. A model for the development of MICE tourism in the period after the lifting of restrictions has been proposed, which can be used to promote business travel in general. The prospects for the development of business travel after the ease of restrictions caused by the COVID-19 pandemic have been presented.*

*The study concluded that after the ease of restrictions caused by the COVID-19 coronavirus pandemic, business travel should be aimed at expanding the tourist range, creating unique experiences, diversifying the tourist offer, creating conditions for epidemic safety and leisure.*

**Key-words:** Business Travel, Business Tourism, Tourist Market, Tourist Infrastructure, Corporate Events.

### 1. Introduction

Business travel has taken its niche in the tourism business, positively influencing the problem of seasonality and attracting foreign tourists with a high level of income (SWARBROOKE,

HORNER, 2001; DUDIN et al., 2019, 2020). This area can provide many economic results for the development of the world's economies. There is a close correlation between business travel and the country's economy. Prior to the outbreak of the pandemic, business travel had been expected to be one of the fastest-growing markets for travel providers to focus on in the years to come, especially in the post-pandemic period (KUMAR, HUSSAIN, 2014; ABDULKADIROV; BIRYUKOV; YUDINA, 2020; BALANDINA et al., 2021).

That is why the study of the dynamics and trends in the development of business travel during the COVID-19 pandemic and after the ease of restrictions is relevant.

At the present stage of business travel development, the following key types can be identified: international, regional, and domestic. International business travel involves trips to establish business relations, a visit to a foreign branch or head office in another country of the world. Regional type of business travel is inherent in neighboring countries, between which there is close industrial cooperation. Domestic tourism is travel for business purposes within a particular country.

Business travel is a highly profitable and promising branch of the tourism industry. Business trips are based on the objective regularity of the further deepening of the international division of labor and the internationalization of business. One of the profitable features of this tourism is the demand for a combined program: about 3 days of active work in the conference hall, and then 1-2 days of rich recreation with sightseeing trips. Therewith, the daily expenses of such tourists on average amount to about 345 US dollars, while the same family tourist spends up to 200 US dollars per day. In terms of profitability, business travel in developed countries can be compared with the oil business. Occupying only about 20-25% of the total structure of the tourism industry, business travel provides about 60% of the profit in the industry in terms of the number of tourists (WORLD TRAVEL AND TOURISM COUNCIL, N.D.A).

The modern structure of international business travel is dominated by classic business trips and corporate meetings (or corporate travel), both individual and group (70% of all business trips). The share of trips to congresses and conferences is more than 15%, to exhibitions and fairs – more than 11%. Approximately 3-4% of trips are on incentive tours (WORLD TRAVEL AND TOURISM COUNCIL, n.d.b), which means trips that commercial companies reward their employees for high performance in their work or that encourage them to work more productively in the future. These trips are organized by companies in order to motivate, in particular, those employees and customers whose functional responsibilities include mainly the promotion and sale of products and services of the enterprise. (SHINEW; BACKMAN, 1995; DUKHOVNAYA et al., 2021; BALANDINA et al., 2021).

## 2. Literature Review

M. Gasiev notes that in world practice, the English term "business travel", or the abbreviation MICE, is used to refer to business travel. The author points to the significant contribution of business travel to the development of the economies of countries and emphasizes the existence of business travel associations, specialized publications, training centers, etc. (GASIEV, 2004). E.N. Rudskaya, A.A. Skabarova (2015) argue that the share of business travel is approximately 13% of the total tourist flow.

In the scientific literature, there are various definitions of the concept of "business travel" (Table 1).

Table 1. Definitions of the "business travel" concept

Source	Definition
HANKINSON, 2005	travel, the purpose of which is to participate in conferences, congresses and, as a rule, these are trips of specialized groups of homogeneous professional composition (mainly at the expense of the enterprise)
DWYER, FORSYTH, 1997	trips related to the performance of professional duties for the purpose of visiting objects owned by the company or of particular interest to it
VIRGIL, POPSA, 2014	a type of tourism that is carried out by citizens to foreign countries for the purpose of making a profit
HAVEN-TANG; JONES; WEBB, 2007	a form of travel that involves carrying out business activities, but being away from home
SAVIN, MELNIKOVA, 2019	trips (business trips) of employees of companies (organizations) for business purposes, or organization of corporate events.
GULYAEV, 2009	travel of the company's employees or clients for business purposes: holding conferences and meetings, attending professional events, signing business contracts, and forming the necessary connections

According to researchers (REITSAMER, BRUNNER-SPERDIN, 2017), the features of the global business travel market are: the location of business tourism centers in destinations with an increased level of business activity; high demand for individual service at the highest level; the predominant use of air transportation; accommodation, as a rule, in hotels of high categories or increased comfort; a high level of income from service per client; independence of business trips from seasonal fluctuations.

The study of scientific works shows that there are many discussions next to the successful performance of business travel in the pre-pandemic period, both in the global and regional

dimensions, about the development of business travel during the pandemic and after the ease of restrictions, which ultimately determines the choice of the research topic and its relevance.

The purpose of the article is to identify ways to develop business travel during the COVID-19 pandemic and after the ease of restrictions.

Research hypothesis: after the removal of restrictions caused by the COVID-19 coronavirus pandemic, business travel should be aimed at expanding the tourist range, creating unique experiences, diversifying the tourist offer, creating conditions for epidemic safety and leisure.

### **Research problem:**

- to find out the dynamics of business travel development in the pre-pandemic period;
- to analyze the restrictions imposed on business travel during the pandemic;
- based on an expert survey, to determine the prospects for the development of business travel after the ease of restrictions.

The article consists of an introduction, a literature review, methods, results, discussion, and conclusion.

### **3. Methods**

To achieve the goal of the study, a set of methods was used:

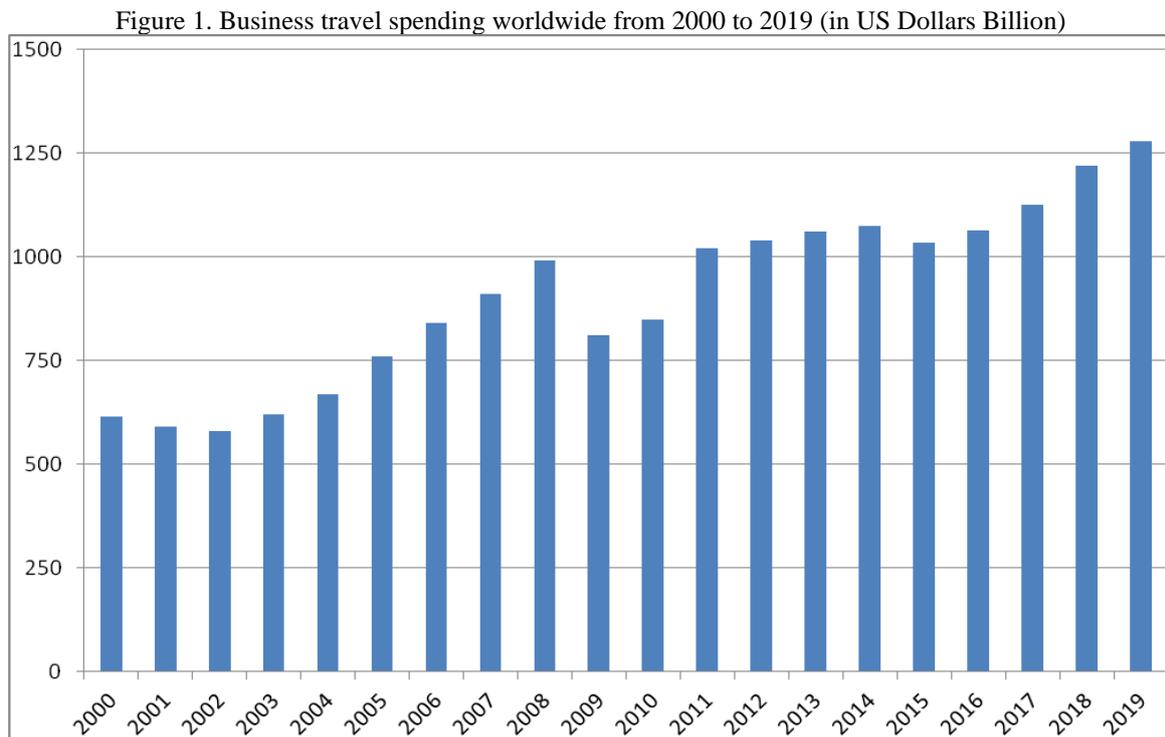
- analysis of the literature – to clarify the concept, essence, and features of business travel, as well as the psychological and pedagogical concept of the professional orientation of the individual. The data for this study was taken from a review of secondary sources. The source base of the study was represented by two sets of literature: the first set consists of studies aimed at studying business travel as a type of tourist activity; the second set consists of analytical studies aimed at studying the problems of business travel in the context of a pandemic;
- an expert survey, which was attended by experts – managers of travel companies specializing in business travel (35 people), with at least 7 years of experience, who were asked several questions related to the development of business travel after the ease of restrictions.

#### 4. Results

The analysis of the source base showed that before the COVID-19 pandemic, the United States and Canada had been considered the leaders of business travel, in Europe – Germany, Spain, France, and Italy, in Asia – Thailand, Turkey, Singapore, Indonesia, and China.

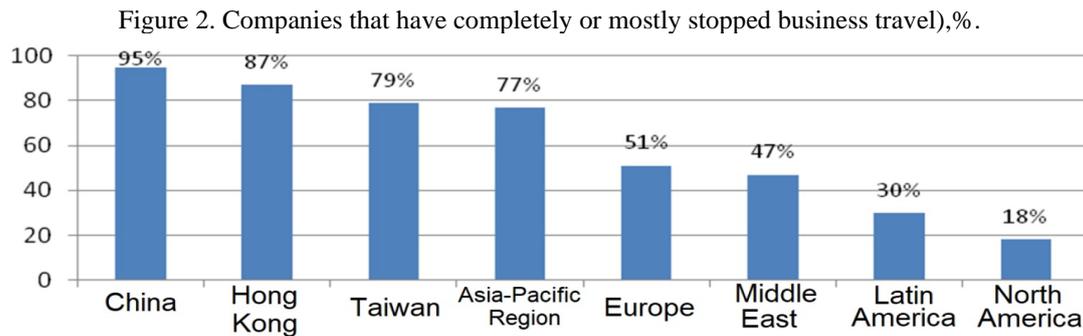
According to experts of the World Tourism Organization, more than 160 million business tours were carried out annually in the world, and this does not take into account domestic tourist flows for business purposes. The share of business travel accounted for about 13% of the total tourist flow, and 50% of airline revenues, 60% of hotel revenues, and more than 70% of car rental companies' revenues were generated by servicing tourists in this category (WORLD TOURISM ORGANIZATION, 2020b).

Business travelers have different travel requirements, including convenience, value for money, high-speed Internet, loyalty schemes, free breakfasts, and more. Activities that are often included in business trips are meetings, exhibitions, and business events. In 2019, global business tourism spending reached 1,283 US Dollars Billion (Figure 1).



Source: developed by WORLD TOURISM ORGANIZATION, 2020b.

The regions facing the highest proportion of business travel suspensions due to the coronavirus pandemic (COVID-19) worldwide as of the third quarter of 2020 are shown in Figure 2.



Source: developed by WORLD TOURISM ORGANIZATION, 2020a.

The COVID-19 coronavirus pandemic has caused huge disruptions to international travel. According to the source (HOQUE et al., 2020), the region where the largest share of companies canceled/suspended business trips was China. Currently, companies have canceled/suspended 18% of business trips to North America, but this figure may show an increase in the virtue of changes in travel restrictions due to the virus.

As a result of the coronavirus pandemic, the global travel and tourism market is being hit. According to (GÖSSLING; SCOTT; HALL, 2020), it is predicted that the number of international tourists arriving will decrease by 20-30% compared to the initial forecast for 2021. The initial figure for international tourist arrivals was estimated at 1,460 million in 2021. This means that, according to forecasts, the number of arrivals of international tourists due to the coronavirus will decrease in 2021 to 1170-1020 million.

## 5. Discussion

According to experts, today the leading infrastructure role in the field of business travel is played by hotels and business centers. A modern hotel should combine the capabilities of the infrastructure of a business center, a leisure center, as well as trade and service enterprises. The approximate list of services for business travelers includes telecommunications services, that is, the ability to receive and transmit information, communication, and good technical equipment of the place of temporary residence. Technical solutions for the provision of telecommunications services should take into account all the latest and most popular ways of exchanging information.

The services of business centers shall meet the highest requirements, create a comfortable, familiar environment for business tourists, and not create a sense of discomfort in them. This means that a kind of mini-office should be created in the room for such a tourist: a spacious desk with good lighting, a computer with Internet access, a multifunctional direct telephone, it is necessary to provide

for the possibility of installing a fax machine with an individual number in the room. The life of business guests also requires special attention. Studies show that the quality of service in hotels is estimated by business tourists 4 times higher than the adequacy and moderation of the price, and 1.2 times higher than the quality of the tourist product itself (DISIMULACION, 2020).

Effective economic development of business travel is impossible without improving the old and introducing new services, which can be a decisive factor in choosing a business hotel. One of these services is business speed dating – an event for quick dating and exchange of contacts between entrepreneurs and businessmen.

A business trip doesn't just mean long days in the boardroom without going outside. The so-called "bleisure" (business + leisure) concept, where entertainment time is added to the main travel time, describes a combination of business travel and leisure travel, where the meeting organizer is not only the event coordinator, but can also provide a unique view of the destination from a leisure perspective. Contributing to the free-time movement and the growing awareness of mental health, this trend, which includes elements of well-being in the conference program, is rapidly gaining an increasing following.

Experts believe that for the development of business travel after the ease of restrictions, it is necessary, among other things, to train the appropriate personnel of the business travel organization, highly qualified employees of the conference service departments of hotels, who would be able to properly serve not only forums, conferences, seminars, congresses, presentations, etc., but also to organize corporate events of cultural and entertainment direction, that is, "company days", holidays, parties, trips around the city, etc. Hotel employees should respect the individual differences of business tourists, so in each case it is necessary to focus on the specifics of the target group, taking into account the needs, wishes, and financial capabilities.

According to experts, business travel will never return to the levels that preceded COVID-19, and completely remote work will forever become the new norm, but the value of a personal meeting, as before, is difficult to overestimate. According to preliminary estimates of the surveyed experts of the business tourism market, in 2021, orders for business trips will be close to the level of 2016, or about 15% below the level of 2019. According to experts, business travelers will also be followed by ordinary tourists.

The development of the world economy, the diversification of industries and products create prerequisites for the emergence of specialized enterprises that are professionally engaged in the organization of business travel and provide services to participants. In the process of organizing business travel, the following types of enterprises are involved: enterprises-producers of services;

enterprises-intermediaries for the provision of business services; enterprises of other fields of activity that provide related services – airports, port facilities, road systems, and telecommunications, as well as water supply, electricity, and sewage treatment plants. As for the actual tourist facilities, due attention should be paid to accommodation and food, as well as to local transport.

Travel agencies maintain close links with airlines, hotels, car rental companies, banks, insurance companies, railways, government, trade associations, foreign tour operators and travel agents, land operators, cruise companies, and tourist educational institutions.

According to experts, the model for the development of MICE tourism after the removal of restrictions caused by the pandemic may look like this.

1. Expanding the range of services. An individual approach to each client should be an important aspect of traditional travel, MICE tourists also appreciate when a service, experience, hotel, or event is designed specifically for them. To do this, service providers need to know more about the interests of participants, as well as constantly update their offer bank. This should be part of every aspect of the stay, from the food to the activities they participate in.

2. Creating unique experiences is important. The priority of business travelers is to attend a conference or meeting, but they can also stay in the city, and, likely, they are not coming to the city for the first time. Therefore, each stay must provide something unique, and it is not just about the activities they enjoy, but also about making them feel refreshed by the end of the trip. This is partly due to the introduction of recreational activities. In this sense, a business traveler can see not only a business trip but also a vacation.

3. Diversification is necessary. A really good development would be the introduction of a tourist map of a guest of the city, the installation of a map diagram on the streets, signs with information about attractions, as well as adding images of QR codes to tourist route objects, and creating 3D excursion routes for tourists. The introduction of unified discount systems for business travelers will help to get benefits for visiting museums, cafes, and restaurants, as is done in Istanbul.

The prospects for the development of the business travel complex are determined, first of all, by the nature of the investment policy in the country. Investment attractiveness management and tax incentives are important factors that influence the attraction of both foreign and domestic investment in the tourism industry.

COVID-19, of course, has brought its adjustments to the concept of sustainability in any sense. The main trend of sustainability in 2020 was distancing. In 2021, the sustainability of online business meetings, conferences, and discussions will grow. It is necessary to understand that it is also possible to develop MICE events remotely. Many companies organize "meetings" with their business

partners on online platforms, present, sell their services and products, and this is a success. An important aspect in such actions of the company is the continuation of the partnership even after the pandemic is over (ABURUMMAN, 2020).

The demand for authenticity is now greater than ever. Guests want to have an honest, transparent, and real experience when they visit a destination for both leisure and business purposes. In the future, it is necessary to promote local cuisine more, as well as to hold meetings in a historical place, specifically to promote the historical heritage.

In modern conditions, the greatest attention should be paid to safety. If we are talking about business events, such as meetings, conferences, exhibitions, etc., it is necessary to take into account all quarantine restrictions, that is, compliance with all standards of disinfection and treatment of premises and surfaces, wearing medical masks, maintaining social distance, even the presence of a document confirming a negative result of a PCR test, and so on.

## **6. Conclusion**

Business travel is one of the main tools for the development of foreign economic relations and the activation of trade and economic relations. It contributes to the development of high-tech industries, attracting foreign investment, and strengthening the country's economic potential. Business trips and various business events contribute to the realization of the competitive potential of territories and tourist clusters, which expand access to specialized services and new technologies, and are an instrument for implementing the policy of innovative economic development in the world. An important aspect of business tourism is its socio-economic orientation, which provides an increase in business activity both in the capital and in the regions.

In general, business travel is one of the most profitable types of tourism for travel companies-organizers, because the costs of its implementation are significant and account for the lion's share of the costs of the organization-customer. However, the result of conducting such tours brings several positive effects for the organization that practices their booking. In particular, these are negotiations with business partners and the conclusion of business contracts, motivation and professional growth of employees, necessary business contacts, which positively affect the resulting performance indicators of the organization.

The tough period of the COVID-19 pandemic makes adjustments to the perception of needs and methods of their implementation. There is an opinion of experts in the tourism sector that business trips will never return to the previous level and remote work will become the new norm.

## References

- ABDULKADIROV, U.U.; BIRYUKOV, V.A.; YUDINA, E.V. Tourism industry development in the context of the Coronavirus (COVID-19) pandemic: response and recovery measures. *Revista Inclusiones*, 7(Especial), 23-33, 2020.
- ABURUMMAN, A.A. COVID-19 impact and survival strategy in business tourism market: the example of the UAE MICE industry. *Humanities and social science communication*, 7, 141, 2020. <https://doi.org/10.1057/s41599-020-00630-8>
- BALANDINA, L.A.; BEZHANOVA, S.V.; GANINA, E.V.; LISITSYNA, E.V.; GORLOVA, O.E. Intercultural communication in the age of globalization of modern society. *Turismo: Estudios & Prácticas (UERN)*, 1, 1-8, 2021.
- DISIMULACION, M.A.T. MICE tourism during COVID-19 and future direction for the new normal. *Asia Pacific International Events Management Journal*, 2(1), 11-17, 2020.
- DUKHOVNAYA, L.L.; KOSAREVA, N.V.; ADASHOVA, T.A.; AGAMIROVA, E.V. Comparative analysis of the development trends of barrier-free tourism: international and russian practice. *Turismo: Estudios & Prácticas (UERN)*, 01, 1-11, 2021.
- DUDIN, M.N.; POSOHOV, S.P.; FILINA, A.A.; MIGACHEV, Y.I. The triple helix model in the russian economy: the quality evaluation of new institutionalization. *Revista Inclusiones*, 6(Especial), 234-243, 2019.
- The role of eu-ecolabel and emas as tool for the socially responsible management in the context of the italian tourism(2020) *Quality - Access to Success*, 21 (179), pp. 135-139.
- DWYER, L.; FORSYTH, P. Impacts and Benefits of MICE Tourism: a framework for analysis. *Tourism Economics*, 3(1), 21-38, 1997.
- GASIEV, M. The basics of business travel and the MICE industry in Russia and abroad: comparison and trends. Moscow: Marketing, 2004. p. 145.
- GÖSSLING, S.; SCOTT, D.; HALL, M. Pandemics, tourism and global change: a rapid assessment of COVID-19. *Journal of Sustainable Tourism*, 29(5), 1-16, 2020. <https://doi.org/10.1080/09669582.2020.1758708>
- GULYAEV, V.G. Business travel and the MICE industry in Russia and abroad: fundamentals, concepts and trends. Moscow: Imprint, 2009. p. 219.
- HANKINSON, G. Destination brand images: A business tourism perspective. *Journal of Services Marketing*, 19(1), 24–32, 2005.
- HAVEN-TANG, C.; JONES, E.; WEBB, C. Critical success factors for business tourism destinations: Exploiting Cardiff's national capital city status and shaping its business tourism offer. *Journal of Travel and Tourism Marketing*, 22(3/4), 109–120, 2007.
- HOQUE, A.; SHIKHA, F.A.; HASANAT, M.W.; ARIF, I.; HAMID, A.B.A. The effect of Coronavirus (COVID-19) in the tourism industry in China. *Asian Journal of Multidisciplinary Studies*, 3(1), 52–58, 2020.
- KUMAR, J.; HUSSAIN, K. Evaluating tourism's economic effects: Comparison of different approaches. *Procedia—Social and Behavioral Sciences*, 144, 360–365, 2014.

- REITSAMER, B.; BRUNNER-SPERDIN, A. Tourist destination perception and well-being. *Journal of Vacation Marketing*, 23(1), 55–72, 2017.
- RUDSKAYA, E.N.; SKABAROVA, A.A. Business travel: problems, trends, prospects. *Molodoi uchenyi*, 8, 639–645, 2015.
- SAVIN, D.A.; MELNIKOVA, I.G. Business travel: teaching aid. Yaroslavl: Yaroslavl State University, 2019. p. 48.
- SHINEW, K.J.; BACKMAN, S.J. Incentive travel: an attractive option. *Tourism Management*, 16(4), 285-293, 1995.
- SWARBROOKE, J.; HORNER, S. Business travel and tourism. Oxford: Butterworth Hienemann, 2001. 422 p.
- VIRGIL, N.; POPSA, R.E. Business Tourism Market Developments. *Procedia Economics and Finance*, 16, 703-712, 2014.
- WORLD TOURISM ORGANIZATION. International Tourism and covid-19 UNWTO online resource, 2020a. Available at: <https://www.unwto.org/international-tourism-and-covid-19>
- WORLD TOURISM ORGANIZATION. New Data Shows Impact of COVID-19 on Tourism as UNWTO Calls for Responsible Restart of the Sector, June 22, 2020b. Available at: <https://www.unwto.org/news/new-data-shows-impact-of-covid-19-on-tourism>
- WORLD TRAVEL AND TOURISM COUNCIL. Maximising opportunities for business travel growth. Executive summary, n.d.a. Available at: [https://www.wttc.org/-/media/files/reports/special-and-periodic-reports/business-travel-white-paper\\_executive-summaryfinal.pdf](https://www.wttc.org/-/media/files/reports/special-and-periodic-reports/business-travel-white-paper_executive-summaryfinal.pdf)
- WORLD TRAVEL AND TOURISM COUNCIL. Maximising opportunities for business travel growth. Policies for growth white paper, n.d.b. Available at: [https://www.wttc.org/-/media/files/reports/special-and-periodic-reports/business-travel-white-paper\\_full-reportfinal.pdf](https://www.wttc.org/-/media/files/reports/special-and-periodic-reports/business-travel-white-paper_full-reportfinal.pdf)