

# NOESIS THURSDAY SPOTLIGHT

HQ: Mumbai • Gurgaon • New Jersey • Bengaluru

6 FEB 2025

**THE 2024 BOOM:**  
Business Class Travel and  
Corporate Room Night  
Demand Soar



## INTRODUCTION

# A Resurgence in Corporate Travel



Business travel is not just back—it's booming. 2024 has seen an unprecedented surge in corporate travel spending, with business class flights and hotel room nights at the centre of this growth. According to the GBTA Business Travel Index Outlook, global business travel spending is expected to reach \$1.48 trillion by the end of 2024, surpassing pre-pandemic levels for the first time. But what is fueling this surge? From changing corporate priorities to evolving traveller expectations, let's dive into the trends shaping business travel in 2024.



# THE BUSINESS CLASS BOOM: Corporate Travel Goes Premium



Business class travel is no longer just a perk—it's a strategic investment. With international travel rebounding and professionals flying long-haul for critical meetings and events, companies are prioritizing premium travel experiences. The WTM Global Travel Report 2024 highlights that despite cost-conscious travel planning, over 75% of corporate travelers prioritize comfort and convenience over budget restrictions.



Airlines have capitalized on this demand by adjusting their fare structures, keeping business class pricing elevated while leisure travel prices fluctuate. According to the GBTA Business Travel Index, global business airfares increased by an average of 1.9% in 2024, reflecting both rising fuel costs and increased demand. The availability of business class seats remains tight, with airlines prioritizing yield over volume.



3.



## The Rise of Hybrid Work and Strategic Travel

Rather than frequent short trips, companies are now investing in fewer but more impactful journeys. Hybrid work arrangements have led to a surge in strategic business travel, where professionals travel for high-value engagements, making business class travel more relevant than ever. A recent survey of 4,100 business travelers across 28 major markets found that 64% have spent more on business travel this year than in 2019.

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## Sustainability and Corporate Travel

With the increasing focus on sustainability, companies are reevaluating their travel policies to align with ESG goals. Airlines are responding by investing in sustainable aviation fuel (SAF) and carbon offset programs. Companies are also prioritizing direct flights over layovers to reduce emissions and opting for eco-friendly accommodations.



5.

## The Influence of AI and Automation in Business Travel

Companies are increasingly leveraging AI-driven travel management platforms that optimize flight and accommodation bookings based on real-time data. Automated expense tracking, digital concierge services, and AI-based itinerary planning are streamlining the corporate travel experience.

### HOTELS:

## Corporate Room Night Demand at Record Highs

1.

## Corporate Travel's Impact on Hotel Revenue

Hotels worldwide are experiencing a boom in corporate stays. The average daily hotel rate (ADR) globally has risen to \$162 in 2024, marking a 2.5% increase from 2023. High occupancy rates in business hubs such as New York, London, and Singapore indicate a strong resurgence in corporate demand.



2.



## The 'Bleisure' Effect: Mixing Work and Leisure

A major shift in corporate travel behavior is the rise of 'bleisure' travel—where business travelers extend their trips for leisure purposes. The WTM Global Travel Report states that over 50% of corporate travelers now engage in bleisure travel, leading to longer hotel stays and increased spending.

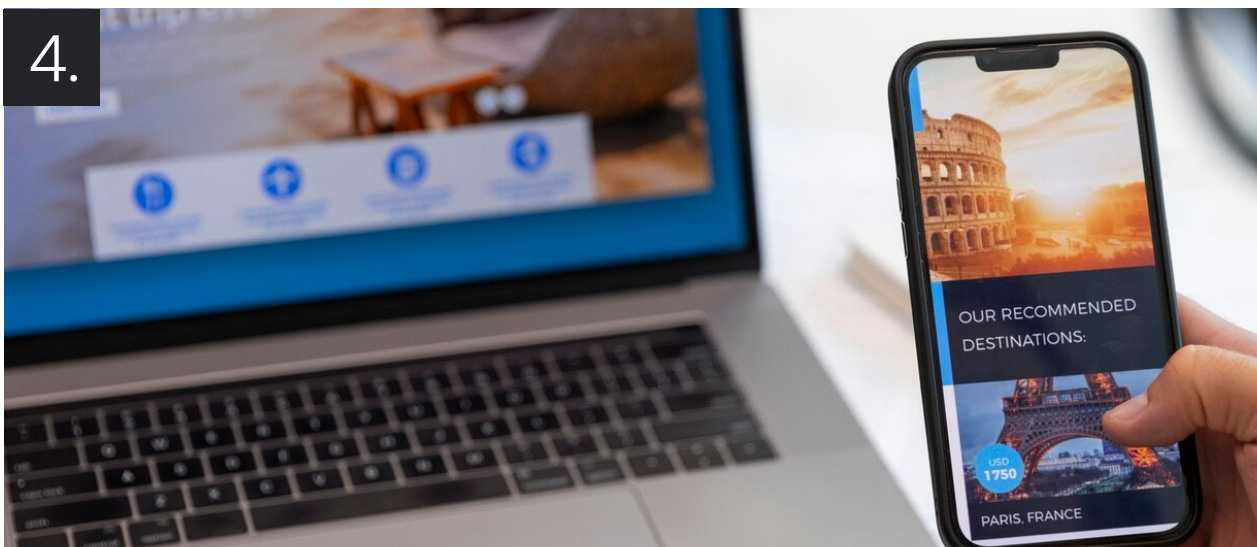
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## Supply Constraints and Rising Costs

Despite the strong demand, the hospitality industry faces challenges. Inflation, labor shortages, and supply chain disruptions have driven up hotel rates. The Indian Corporate Travel Market Report notes that airfare and ADRs surged significantly in 2023, though increased supply is expected to stabilize prices soon.

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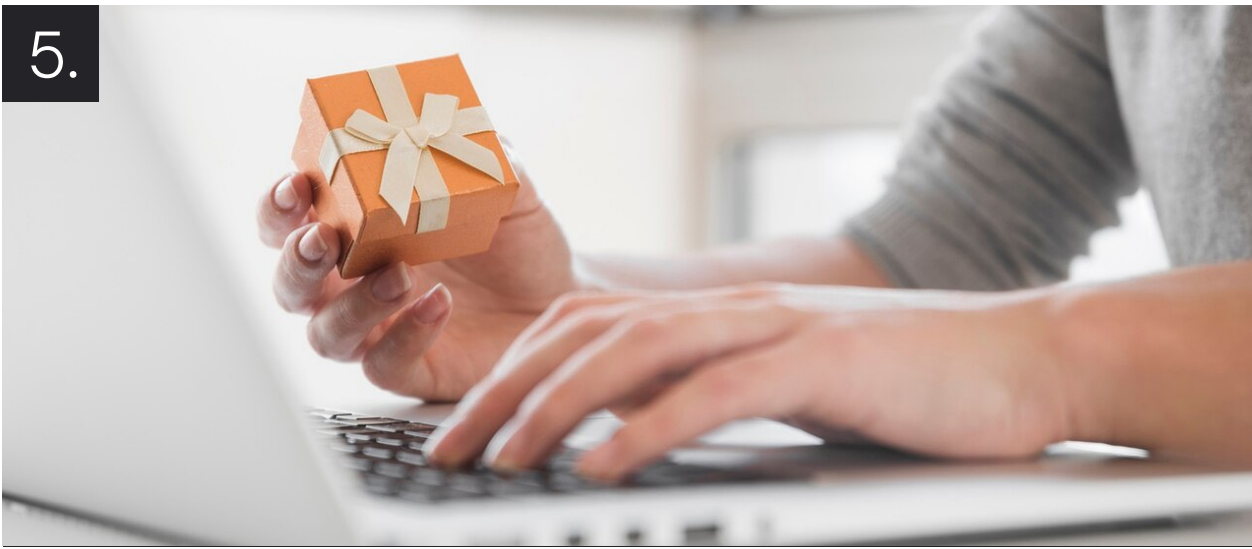


## The Role of Technology in Corporate Stays

Hotels are integrating smart technology to enhance the business traveler experience. Digital check-ins, AI-driven concierge services, and personalized booking recommendations are becoming industry standards. Travel managers are also leveraging data analytics to optimize corporate lodging expenses.



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## Business Loyalty Programs and Incentives

Hotels are expanding their corporate loyalty programs, offering tailored incentives for frequent business travelers. Enhanced reward structures, free upgrades, and exclusive access to business lounges are driving repeat bookings among corporate clients.

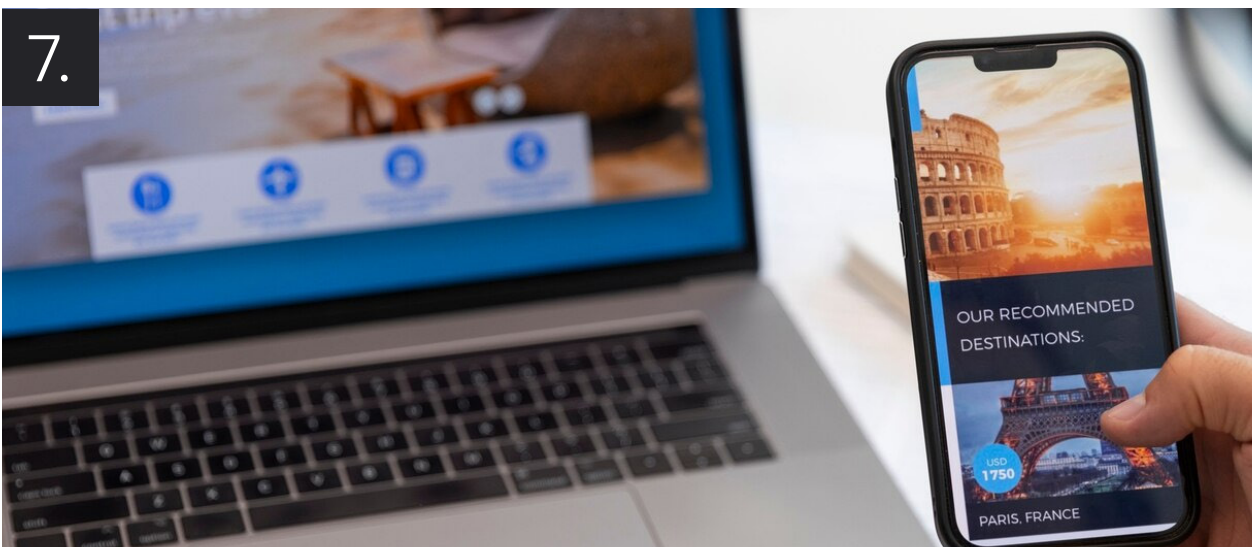
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## The Demand for Extended Stays and Serviced Apartments

With remote work allowing professionals to stay longer in destinations, the demand for extended-stay hotels and serviced apartments has risen. Business travelers are opting for accommodations with kitchen facilities, flexible lease terms, and co-working spaces.

7.



## Security and Duty of Care for Corporate Travelers

Companies are prioritizing traveler safety more than ever. Advanced security protocols, 24/7 travel assistance, and emergency support services are becoming critical aspects of corporate travel policies. Hotels and airlines are responding by offering enhanced security measures and crisis response strategies.



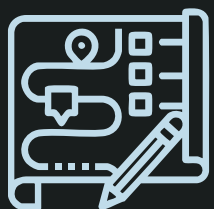
## KEY TAKEAWAYS:

# The Future of Corporate Travel



### Increased Travel Budgets:

Corporate travel spending has reached an all-time high, with businesses allocating more funds for premium travel experiences.



### Strategic Travel Planning:

Companies are prioritizing high-impact trips over frequent short-haul travel to maximize value and efficiency.



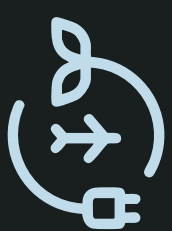
### Evolving Hotel Demand:

Hotels are adapting to corporate travelers by offering flexible stay options, corporate-friendly packages, enhanced loyalty incentives, and healthy dining choices, including convenient meal options like "breakfast on the go."



### Balancing Costs and Experience:

Travel managers are finding ways to manage rising costs while maintaining high-quality travel experiences for employees.



### Sustainable Travel Practices:

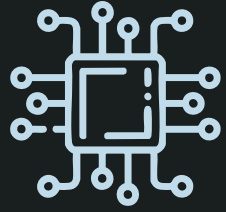
Businesses are integrating eco-friendly initiatives into their travel policies to reduce their environmental footprint.





### **Tech-Driven Travel Solutions:**

Digitalization is enhancing the booking process and overall travel experience for corporate travelers



### **AI and Automation:**

Companies are leveraging AI-driven solutions to optimize travel management, making it smarter and more cost-effective.



### **Enhanced Security and Duty of Care:**

Businesses are prioritizing traveler safety with improved emergency support services and risk management protocols.



### **Co-Working Spaces in Hotels:**

Hotels can generate additional revenue by developing infrastructure that supports co-working environments, catering to business travelers who need professional workspaces on the go.





# Final Thoughts: Is the Surge Here to Stay?

The business travel resurgence in 2024 is more than just a rebound—it's a transformation. Companies are redefining travel policies, prioritizing employee well-being, and embracing a hybrid approach that blends efficiency with experience.

Looking forward, businesses that invest in sustainable and tech-driven travel solutions will have a competitive edge in attracting and retaining top talent. The next question is: Will your organization embrace the new era of corporate travel, or will budget constraints dictate a more conservative approach? The decisions made today will shape the future of corporate travel for years to come.

Sources– Deloitte, WTM Global, Amex Global, Travel Park, GBTA

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