



How to Meet The Evolving Needs of Business Travelers

Tackling the Project-Based Work Segment with Innovation

August 2024



LivSmart Studios by Hilton

Hilton Highlights

- 1 In a \$300 billion workforce travel market, the extended-stay segment continues to grow.
- 2 70 million U.S. travelers, annually, are extended-stay guests.
- 3 Both value accommodation and extended-stay guests are looking for “feels-like-home” amenities.
- 4 Brands like LivSmart by Hilton and Spark by Hilton answer the call for these needs.
- 5 As project-based industries continue to grow, hospitality evolution is essential.

The rise of remote and project-based work has led to a growing number of professionals seeking flexible accommodation options for longer periods of time – but they aren’t the only ones. Extended-stay reservations, meaning guests seeking lodging for longer term stays, make up **70 million annual travelers** in the U.S. and includes but is not limited to: medical staff, emergency workers, project-based workers, construction and infrastructure staffing, employees that are relocating, and individuals with temporary housing needs. This booming segment of diverse travelers presents unique requests to the hospitality industry, and Hilton is listening.

Extended-stay demand and demand for value accommodation is growing year-over-year and by 2024, is forecasted to reach a historic high of **1 billion hotel room nights**. This is surpassing the long-term average with more than one quarter of those travelers likely to stay five or more nights. Over the past three decades, the extended-stay hotel room supply has increased by 190.3% and hospitality companies, globally, are developing solution-driven insights on what’s driving these travelers to stay.

One factor behind value-stay segment growth is a general shift to a remote-friendly work market. With companies now boasting “remote-first” as a compelling job perk, business travelers can now book extended accommodations and set up their workspaces anywhere in the world.

A contributing factor to extended-stay demand is the expansion of the workforce staffing segment. In the past four years, **construction industry extended-stay lodging grew 120% and medical staffing is expected to grow at a compound annual growth rate of 6.69% from now until 2030**. Manufacturing and transportation are also on the rise with an influx of insurance housing needs for displaced persons due an increase in weather and climate disasters.

Project-based travel is seeing an uptick as well, and with it comes the opportunity for hospitality leaders to consider a new take on continuity and reliability. Meeting this demographic where they are, wherever they are, will look like intentional space-making combined with prioritization of amenities unique to the everyday traveler.

Emerging Must-Have Amenities

Hilton research shows that long-stay travelers, including traveling nurses, military personnel, and those experiencing workforce relocations, value the simple things in life, like quality time and comfort, above all else. These travelers are looking for streamlined and user-friendly hospitality solutions. Whether it's a smooth check-in process or seamless experiences during their stay, simplicity is key. Industry leaders are looking for seamless hospitality interactions for their businesses, and solutions that provide true comfort and warmth in the in-between moments will rise to the top in the long-stay and value categories.

"While the exact customer journey differs across workforce deployment, temporary housing, and project-based travel, there are several themes that emerge in the requirements and needs," said Laura Christian, Assistant Managing Director, Business Travel Sales at Hilton, where ears-to-the-ground research have identified **five main need points for value accommodation and extended-stay business travelers**:



LivSmart Studios by Hilton

1 A "Feels Like Home" Experience

A notable priority for long-stay travel is comfort, and Hilton understands this. For business travelers staying 20 or more nights, it's more than a hotel—it's a home base—and retaining these travelers means maintaining a commitment to a comfortable stay at a reliable price.

Intentional space-making, communal spaces, earned trust between guests and hotel staff, and thoughtful kitchen and laundry access are all a part of creating consistent experiences that feel like home.

The collaboration between Homewood Suites by Hilton, Home2 Suites by Hilton and Grubhub is a great example of this.

This partnership allows guests seamless mobile ordering and delivery, so if they aren't

familiar with the area, need to order several forgotten items, or don't have a car available—convenience is just an order away.

"According to a 2023 survey, 81% of extended-stay guests surveyed cooked in their room or suite during the course of their last hotel stay."

—Laura Christian, Business Travel Trends | 2024 Trends Report | Stories From Hilton

2 Dedicated Workspaces

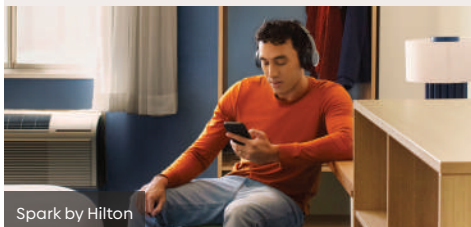
In response to remote and hybrid employees combining work and travel together, dedicated workspaces are integral to meeting this market where it works and plays (which are often in the same place). These kinds of amenities can't just be limited to upscale hotels but across value accommodation lines.



LivSmart Studios by Hilton

3 Flexible Booking and Changes

A reality for business travelers everywhere is that their schedules are often at the mercy of their work. Scheduling changes, budget shifts, and project delays mean that business travelers are booking closer to their dates of arrival than ever before. Prioritizing flexible booking, changes and cancellations will be the edge that these travelers are looking for when it comes to preferred vendors.

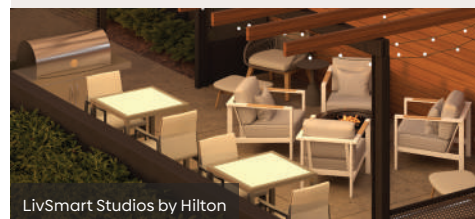


4 Loyalty Benefits

Business travelers want the ability to earn loyalty rewards when staying for business and leisure. They also want the opportunity to cash in their rewards on future stays. Hilton offers this through Hilton Honors, Hilton's award-winning loyalty program that rewards its travelers for booking stays with Hilton. Points can be turned into free nights, used with Hilton's travel and shopping partners, or cashed in for exclusive experiences. And now with Hilton for Business, Hilton has created a program exclusively for small to medium-sized businesses with perks like access to exclusive discounted rates, travel management tools, and loyalty benefits.

5 Deliberate Design

From thoughtfully designed work desks in guest rooms with multi-functional furniture and calming interiors, to outdoor patios with communal grilling spaces, intentional design matters. In form and function, every space is deliberate, and that conscious design is essential to creating a true space of warmth and hospitality for both value and long-stay business travelers.



There is no one-size-fits-all approach to meeting the needs of long-stay business travelers and value seekers, but these business travelers need a stay that reflects their work and offers value, quality and consistency. That's where Hilton started reimagining what extended-stay and value solutions could look like.

"We know there are different reasons for extended-stay, and when you dig into the different use cases and what it is that the traveler wants – they want to be understood for the reason that they're there."

—Laura Christian, Assistant Managing Director, Business Travel Sales at Hilton



The Hilton Approach

Meet two of the newest brands by Hilton, made perfect for business travelers. **LivSmart Studios by Hilton**, serving extended-stay travelers and **Spark by Hilton**, serving budget-conscious travelers are two thoughtfully unique brands.

Built to accommodate guest stays of 20 nights or more, **LivSmart Studios by Hilton** offers a lower midscale, extended-stay solution for the traveler who never stops going. Combining purposeful design, spacious studio apartment-style accommodations, and implementing nontraditional lobby experiences, this new addition to the Hilton family of brands also participates in Hilton Honors. **LivSmart by Hilton** takes loyalty another step further by offering enhanced Points earnings the longer a guest stays.

Delivering exceptional essentials at a budget-friendly price, for leisure and business travelers is **Spark by Hilton**. While not extended-stay, every **Spark by**

Hilton is making waves with the intention to deliver “routinely exceptional comfort” through consistent amenities like common spaces and helpful service.

Hilton is laser-focused on building out streamlined capabilities that meet and exceed the needs of these multi-faceted travel segments. For example, emerging new payment capabilities that will allow customers to book any Hilton product and invoice in a streamlined way are on the horizon. Hilton understands that the number of touchpoints from booking to check-in is invariable, meaning a seamless payment and check-in process is much needed for project workers and displaced people alike.



Spark by Hilton

Hilton is also excited to provide several new features, including:

- Thoughtful floor plans that separate the kitchen from the bedroom.
- Maximized space efficiencies designed for hyper-productivity and storage.
- Reimagined laundry and fitness facilities that feel more luxury apartment than hotel.
- Consistency when staying at a Hilton property that values the needs of traveling workers.
- Loyalty opportunities for business travelers to redeem Hilton Honors Points and personalize member profiles.



Spark by Hilton

“Everybody must be aligned on the needs of the target customer being brought in. That’s the differential. We’ve honed in on the unique needs so we’re creating a seamless, digitized experience. We’re educating our hotels on our philosophy, we are building these capabilities, and also building out our entire sales structure and servicing model to accommodate the need of this customer.”

—Laura Christian, Assistant Managing Director, Business Travel Sales at Hilton

Extended-Stay and the Extended Future

The needs of the project-based working market are as diverse as the market itself, but that isn't keeping Hilton from tailoring solutions that prioritize guests. With an influx of business travelers from varied industries looking for long-stay solutions and long-stay travel demands expected to grow well into 2030, Hilton is prioritizing accommodations that feel like home at an affordable price point. Real customers mean real changes, and **LivSmart Studios** and **Spark by Hilton** are two answers to the call for more flexible and attuned inventory.

LivSmart Studios will also offer accelerated Points earning opportunities with 3 Points per dollar spend on LivSmart stays, as well as an additional 3K Bonus Points for every 10 days stayed – rewarding extended-stay guests. While there is room for growth as individual industries evolve, Hilton is ensuring the light and warmth of hospitality is available to more travelers in more places.

“We have really tried to build teams and to build expertise around each of the different types of travelers we’ve come to know. LivSmart Studios and Spark by Hilton are the result of getting close to the customer and understanding what their needs are.”

—Christiane Cabot Bini, Vice President, Global Business Travel Sales at Hilton



Spark by Hilton Houston Bush Intercontinental Airport

To learn more about Spark, visit: <https://www.hilton.com/en/brands/spark-by-hilton/>

To learn more about LivSmart, visit: <https://www.hilton.com/en/p/livsmart-studios-by-hilton/>